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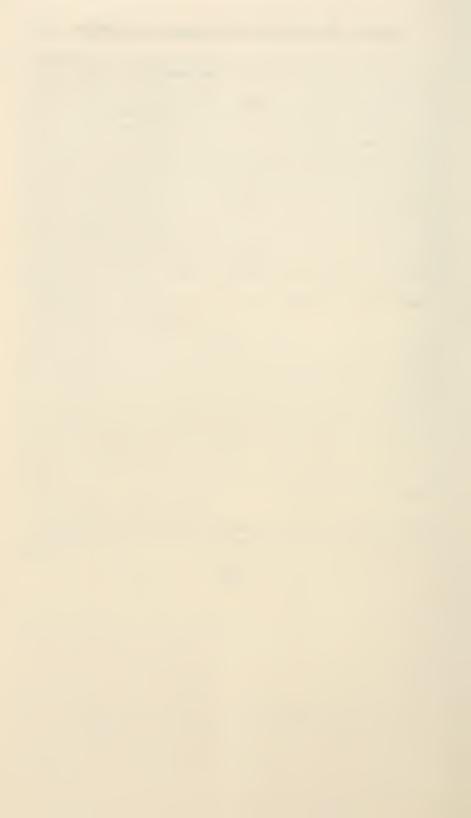
Committee on Un-American Activities

House

87th Congress

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COMMUNIST OUTLETS FOR THE DISTRIBUTION OF SOVIET PROPAGANDA IN THE UNITED STATES PART 2

HEARINGS

BEFORE THE

COMMITTEE ON UN-AMERICAN ACTIVITIES HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH CONGRESS

SECOND SESSION

MAY 17 AND JULY 11, 1962 INCLUDING INDEX

Printed for the use of the Committee on Un-American Activities



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COMMITTEE ON UN-AMERICAN ACTIVITIES

United States House of Representatives

FRANCIS E. WALTER, Pennsylvania, Chairman

MORGAN M. MOULDER, Missouri CLYDE DOYLE, California EDWIN E. WILLIS, Louisiana WILLIAM M. TUCK, Virginia GORDON H. SCHERER, Ohio AUGUST E. JOHANSEN, Michigan DONALD C. BRUCE, Indiana HENRY C. SCHADEBERG, Wisconsin

Francis J. McNamara, Director Frank S. Tavenner, Jr., General Counsel Alfred M. Nittle, Counsel

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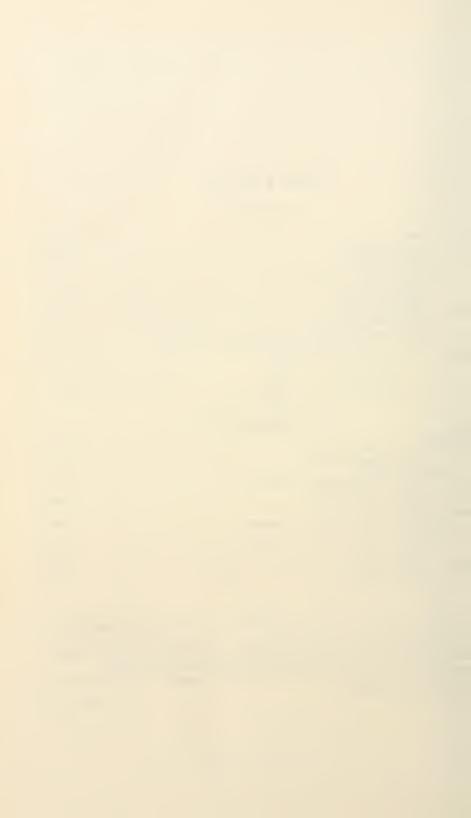
(Index appears in Part 2)

Note.—Testimony of witnesses does not follow in the order of their appearances.

Part 1 contains the testimony of publishers of Communist propaganda and of Mrs. Maude Query Kelsey, a librarian and cooperative witness, who had received unsolicited Communist propaganda booklets from the Soviet Embassy.

Part 2 contains the testimony of individuals engaged in the distribution of

Communist propaganda.



Public Law 601, 79th Congress

The legislation under which the House Committee on Un-American Activities operates is Public Law 601, 79th Congress [1946]; 60 Stat. 812, which provides:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. * * *

PART 2—RULES OF THE HOUSE OF REPRESENTATIVES

RULE X

SEC. 121. STANDING COMMITTEES

17. Committee on Un-American Activities, to consist of nine Members.

RULE XI

POWERS AND DUTIES OF COMMITTEES

(q) (1) Committee on Un-American Activities.

(A) Un-American activities.
(2) The Committee on Un-American Activities, as a whole or by subcommittee, is authorized to make from time to time investigations of (i) the extent, character, and objects of un-American propaganda activities in the United States, (ii) the diffusion within the United States of subversive and un-American propaganda that is instigated from foreign countries or of a domestic origin and attacks the principle of the form of government as guaranteed by our Constitution, and (iii) all other questions in relation thereto that would aid Congress in any necessary remedial legislation.

The Committee on Un-American Activities shall report to the House (or to the Clerk of the House if the House is not in session) the results of any such investi-

gation, together with such recommendations as it deems advisable.

For the purpose of any such investigation, the Committee on Un-American Activities, or any subcommittee thereof, is authorized to sit and act at such times and places within the United States, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, and to take such testimony, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any subcommittee, or by any member designated by any such chairman, and may be served by any person designated by any such chairman or member.

RULE XII

LEGISLATIVE OVERSIGHT BY STANDING COMMITTEES

Sec. 136. To assist the Congress in appraising the administration of the laws and in developing such amendments or related legislation as it may deem necessary, each standing committee of the Senate and the House of Representatives shall exercise continuous watchfulness of the execution by the administrative agencies concerned of any laws, the subject matter of which is within the jurisdiction of such committee; and, for that purpose, shall study all pertinent reports and data submitted to the Congress by the agencies in the executive branch of the Government.

RULES ADOPTED BY THE 87TH CONGRESS

House Resolution 8, January 3, 1961

RILE X

STANDING COMMITTEES

- 1. There shall be elected by the House, at the commencement of each Congress
- (r) Committee on Uu-American Activities, to consist of nine Members.

RULE XI

POWERS AND DUTIES OF COMMITTEES

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27. To assist the House in appraising the administration of the laws and in developing such amendments or related legislation as it may deem necessary, each standing committee of the House shall exercise continuous watchfulness of the execution by the administrative agencies concerned of any laws, the subject matter of which is within the jurisdiction of such committee; and, for that purpose, shall study all pertinent reports and data submitted to the House by the agencies in the executive branch of the Government.

COMMUNIST OUTLETS FOR THE DISTRIBUTION OF SOVIET PROPAGANDA IN THE UNITED STATES

PART 2

THURSDAY, MAY 17, 1962

United States House of Representatives, SUBCOMMITTEE OF THE COMMITTEE ON UN-AMERICAN ACTIVITIES. Washington, D.C.

PUBLIC HEARINGS

The subcommittee of the Committee on Un-American Activities met, pursuant to call, at 10:35 a.m. in the Caucus Room, Old House Office Building, Washington, D.C., Hon. William M. Tuck, presiding.

Subcommittee members: Representatives Edwin E. Willis, of Louisiana, chairman; William M. Tuck, of Virginia; and August E. Johansen, of Michigan.

Subcommittee members present: Representatives William M. Tuck

and August E. Johansen.

Committee members also present: Representatives Donald C. Bruce, of Indiana, and Henry C. Schadeberg, of Wisconsin.

Staff members present: Frank S. Tavenner, Jr., director; Alfred M. Nittle, counsel; John C. Walsh, cocounsel, and Donald T. Appell, investigator.

Mr. Tuck. The committee will come to order.

I have a statement here I have prepared and which I will now read. The hearing this morning is a continuation of the hearings of the Committee on Un-American Activities held on May 9 and 10, 1962.

The subcommittee authorized to conduct these hearings consists of Representatives William M. Tuck, August E. Johansen, and Edwin E. Willis, as chairman.

Chairman Willis is not able to be present this morning, and I am acting in his stead, and a quorum is present in the persons of Congress-

man Johansen and myself.

Because some of the witnesses called before the Committee on Un-American Activities today were not present on May 9, I desire for their information to read the resolution which sets forth the subject and legislative purposes of these hearings:

BE IT RESOLVED, that hearings by the Committee on Un-American Activities, or a subcommittee thereof, be held in Washington, D.C., or at such other place or places as the Chairman may designate, and at such time or times as the Chairman may determine, relating to the publishing, printing and distribution of Communist propaganda material that is instigated from foreign countries or is of a domestic origin, the legislative purposes of which are:

1699

1. To strengthen the provisions of Section 10 of the Internal Security Act of 1950 so as to broaden the application of such section to cover persons, firms, associations and corporations engaged in the printing, publishing and dissemination of Soviet propaganda;

2. To assist Congress, through the Committee's legislative oversight duties, in appraising the administration of laws relating to the introduction and dissemination of Communist propaganda within the United States; and

3. To consider and act upon clauses (c) and (d) of Section 312 of Title 3, H.R. 6, introduced by Representative Walter on January 3, 1961, and referred to this Committee as part of H.R. 6, said clauses constituting proposed amendments of the Foreign Agents Registration Act.

BE IT FURTHER RESOLVED, that the action of the Chairman in issuing subpoenas for the appearance of Myron Sharpe, in his individual capacity, and as president of Crosscurrents Press, Inc., be, and the same is hereby ratified and

BE IT FURTHER RESOLVED, that the Committee, or any subcommittee thereof, be authorized to investigate and hear any other matter within the jurisdiction of the Committee which it, or any subcommittee thereof, appointed to conduct these hearings, may designate.

Are you ready to proceed, Counsel? 1

Mr. Walsh. Mr. Markoff. Mr. Tuck. Mr. Markoff, would you stand and raise your right hand? Do you solemnly swear the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Markoff. Yes, sir.

Mr. Tuck. The witness may be seated.

TESTIMONY OF ALLAN MARKOFF, ACCOMPANIED BY COUNSEL, ISIDORE G. NEEDLEMAN

Mr. Walsh. Will you state your full name for the record, Mr. Markoff?

Mr. Markoff. Allan Markoff.

Mr. Walsh. And where do you live? Mr. Markoff. 69 Fifth Avenue.

Mr. Walsh. And I notice that you are represented by counsel. Would counsel please identify himself?

Mr. Needleman, Isidore G. Needleman, 165 Broadway, New York

6, N.Y.

Mr. Walsh. Now it is the committee's understanding, Mr. Markoff, that you were the president and major stockholder of Four Continent Book Corporation from 1948 to January of 1960. Is that correct?

(Witness conferred with counsel.)

Mr. Markoff. Yes, sir.

Mr. Walsh. And the committee further understands that, when you became president of Four Continent Book Corporation, you purchased 10 shares of its stock from a Cyril Lambkin, L-a-m-b-k-i-n, for \$520 a share, or a total of \$5,200. Is that correct?

Mr. Markoff. That is correct.

Mr. Walsh. And this transaction, the purchase of stock by you in Four Continent Book Corporation, was after a man by the name of Cyril Lambkin was identified before this committee as being a member of the Communist Party. Does that refresh your recollection?

(Witness conferred with counsel.)

¹ The testimony of the first witness appearing on May 17, Myron Emanuel Sharpe, is printed in Part 1, pp. 1654-1663.

Mr. Markoff. No such recollection, sir.

Mr. Walsh. You have no recollection one way or the other about that?

Mr. Markoff. No such recollection.

Mr. Walsh. Was it because of the identity of Cyril Lambkin, before this committee, that made it necessary that he, Lambkin, be replaced

as president of Four Continent Corporation?

Mr. Needleman. Now, Mr. Chairman, I submit that that question has in it two parts. I would like to have it broken up. There is an assumption there that the Communist Party had something to do with this, and that is obviously playing for the headlines. Now would you break it up into single questions? And he will answer it.

Mr. Tuck. Counsel knows that he is not to address the committee,

but he is free to advise his client.

Mr. Needleman. I understand that, Mr. Chairman, but when a question is asked that is difficult to answer and has two parts to it, one is an assumption that the witness would have to argue.

Mr. Tuck. Proceed, Mr. Counsel. (Witness conferred with counsel.)

Mr. Walsh. Did you know Cyril Lambkin when he was president of Four Continent Book Corporation?

Mr. Markoff. Yes, sir.

Mr. Walsh. How long had you known him?

Mr. Markoff. I have known Cyril Lambkin for many years before.

Mr. Walsh. How long is "many"?

Mr. Markoff. I could not tell you exactly.

Mr. Walsh. Well, was it over 5, 10? Mr. Markoff. Probably over 5 years.

Mr. Walsh. Did you know him to be a member of the Communist Party?

(Witness conferred with counsel.)

Mr. Markoff. No, sir.

Mr. Walsh. You did know him as president of Four Continent Book Corporation, however? Mr. Markoff. Yes, sir.

Mr. Walsh. Now prior to the time that you purchased these 10 shares for \$5,200, did you have a discussion with Mr. Lambkin with reference to the purchase of these shares?

Mr. Markoff. Yes, sir.

Mr. Walsh. Would you detail to the committee your conversation with Mr. Lambkin when you negotiated for the purchase of these 10 shares which he owned?

(Witness conferred with counsel.)

Mr. Markoff. Well, you are asking me a question that goes back 13 years. As to the nature of conversation, I cannot recall conversation.

Mr. Walsh. Well, I do not expect you to recall specifically each and every word, but I believe that you do know what the substance of that conversation was. It was with reference to the purchase of this stock. Is that correct?

Mr. Markoff. Yes, in short, Mr. Lambkin asked me if I was interested in purchasing his interest in Four Continent Book Corpo-

ration, and I said "Yes."

Mr. Walsh. Did he explain to you why he wanted to sell his shares of stock in Four Continent Book Corporation?

Mr. Markoff. No, sir.

Mr. Walsh. He just specifically asked you, were you interested in purchasing his stock?

Mr. Markoff. That is correct.

Mr. Walsh. How many shares did he have?

(Witness conferred with counsel.)

Mr. Markoff. At that time, I believe Mr. Lambkin had 25 shares,

all the shares in the corporation.

Mr. Walsh. Well, at the time that you purchased the 10 shares, were 7 more shares being held by a firm of attorneys in escrow until such time as you could raise the money, because the price was \$520 per share?

Mr. Markoff. That is correct.

Mr. Walsh. Who owned the other eight shares of this corporation? (Witness conferred with counsel.)

Mr. Markoff. Mr. Budin.

Mr. Walsh, Who?

Mr. Markoff. Budin, or Mr. Beresky, also known as Budin.

Mr. Walsh. How do you spell Budin? Mr. Markoff. I believe it is B-u-d-i-n. Mr. Walsh. And what is his first name?

Mr. Markoff. Shaya, S-h-a-y-a.

Mr. Walsh. Was he associated with the corporation in any capacity at the time that he owned the other 8 shares?

Mr. Markoff. Yes, sir.

Mr. Walsh. In what capacity? Mr. Markoff. Vice president.

Mr. Walsh. Now, did you subsequently purchase these 7 shares which were held by this group of attorneys in escrow until such time as you could financially take over these shares?

Mr. Markoff. Yes, sir.

Mr. Walsh. And when did you take over these additional shares?

Mr. Markoff. I have no exact recollection of the time.

Mr. Walsh. Was that before you became president of this corporation?

Mr. Markoff. After. Afterwards. Mr. Walsh. How long afterwards?

Mr. Markoff. No exact recollection, sir.

Mr. Walsh. As president of this corporation for a period of 10 years, did you receive a salary?

Mr. Markoff. Yes, sir.

Mr. Walsh. And did you also share in the profits of Four Continent Book Corporation?

Mr. Markoff. Well, there weren't any profits made that I would have shared.

Mr. Walsh. No profits. Well, what salary did you receive?

Mr. Markoff. I believe it was \$125 per week.

Mr. Walsh. Is that what you received throughout the 11 years, \$125 per week?

Mr. Markoff. At that time. At one time it was raised to \$137, and reduced again to \$125.

Mr. Walsh. The purchase of the 17 shares amounted to about \$8,800, is that correct?

Mr. Markoff. Something like that.

Mr. Walsh. When you first agreed to purchase the 10 shares, would you tell the committee where you received that money, and from whom?

First question, will you tell the committee whether or not you had the \$5,200 by which you purchased these 10 shares from Mr. Lambkin?

Mr. Markoff. Yes, sir.

Mr. Walsh. And did you subsequently receive the rest of the amount from any person, or did you obtain it from your salary when you were working for Four Continent Book Corporation? Mr. Markoff. My own.

Mr. Walsh. Did anybody—an individual, a corporation, or any companies—share in the profits of Four Continent Book Corporation?

(Witness conferred with counsel.)

Mr. Markoff. In the first place, there weren't any profits. the second place, nobody was able to share in the profits there were, because the only people who would be able to share in the profits would be the stockholders.

Mr. Walsh. And did you ever receive any dividends from Four Continent Book Corporation because of the fact that you were the

owner of 17 shares?

Mr. Markoff. Since there were no profits, I received no dividends. Mr. Walsh. When you were president of this corporation, did you have complete control; that is, the management of the corporation?

Mr. Markoff. I was general manager of the corporation. Mr. Walsh. Did you set up the policy of the corporation, what it

would do, and what it would continue to do?

(Witness conferred with counsel.)

Mr. Markoff. Yes, in a sense. It was not a large business, and the question of policy didn't arise in very large terms. It was just a matter of small business, but there were necessary requirements of a small business to operate.

Mr. Walsh. Well, did you confer with anybody and ask advice

with reference to the policy of the corporation?

Mr. Markoff. I had another stockholder with whom I had to consult.

Mr. Walsh. And did you consult with him on many occasions?

Mr. Markoff. Yes, sir.

Mr. Walsh. Did you consult with Mr. Lambkin?

Mr. Markoff. Mr. Lambkin was not in the corporation any more. Mr. Walsh. Well, I mean, did you ever go to him for advice?

Mr. Markoff. No.

Mr. Walsh. Did anybody offer advice to you from any outside source?

Mr. Markoff. I don't recollect seeking any advice, except of our

attorney.

Mr. Johansen. Well, Mr. Chairman, I am not sure that that answer is responsive to the question. The question was not whether you sought such outside advice, but whether you received it, whether it was solicited or unsolicited.

Mr. Markoff. I can answer "No" to that.

Mr. Walsh. Now, subsequently, a man by the name of Serge Pavlovich Ushakoff became president of Four Continent Book Corporation, in January of 1960. Is that correct?

(Witness conferred with counsel.) Mr. Markoff. Yes; that is correct.

Mr. Walsh. And how did he become president? Will you tell the committee? That was in January of 1960, a couple of years ago. I presume your recollection is clearer with reference to that conversation.

(Witness conferred with counsel.)

(At this point Mr. Schadeberg left the hearing room.)

Mr. Markoff. Well, so far as I can construe it, since Mr. Usha-koff---

Mr. Walsh. I would not like you to construe it, I would like to

Mr. Needleman. Why don't you wait for his answer, and then you

will see if you need any additional question?

Mr. Markoff. Let me explain that I have not dealt personally with Mr. Ushakoff.

Mr. Walsh. In other words, there was an intermediary?

Mr. Markoff. Yes.

Mr. Walsh. And who was that?

Mr. Markoff. A person by the name of Mr. Moskowitz. Mr. Walsh. Mr. Moskowitz. What is his first name?

Mr. Markoff. I don't recollect his first name.

Mr. Walsh. Is he from New York City?

Mr. Markoff. Yes, sir.

Mr. Walsh. What is his profession, if any?

Mr. Markoff. So far as I understand, he is an accountant.

Mr. Walsh. An accountant?

Mr. Markoff. Yes.

Mr. Walsh. And where is his office?

Mr. Markoff. I have no idea.

Mr. Walsh. Well, did he just come in to you and ask you whether or not you would sell your 17 shares of stock?

Mr. Markoff. He didn't come in personally. He acted through

his attorney.

Mr. Walsh. And who was his attorney?

Mr. Markoff. I don't recall.

Mr. Walsh. You do not recall the man that acted for Mr. Ushakoff prior to the time he purchased your stock?

Mr. Markoff. Well, I told you the name of the man.

Mr. Walsh. Moskowitz, yes, but you never saw Mr. Moskowitz, you said.

Mr. Markoff. Only at the time of the sale.

Mr. Walsh. And how much did you sell your 17 shares of stock for?

Mr. Markoff. Ten thousand dollars.

Mr. Walsh. Ten thousand dollars. And was the stock certificate made in the name of Serge Ushakoff, or was it made in the name of Mr. Moskowitz?

Mr. Markoff. I believe it was made in the name of Moskowitz.

Mr. Walsh. Moskowitz?

Mr. Markoff. Yes.

Mr. Walsh. In other words, so far as you know, you did not know who was going to be the president?

Mr. Markoff. That is correct.

Mr. Walsh. And you first learned that in January of 1960?

Mr. Markoff. That is correct.

Mr. Walsh. And you cannot tell the committee any more definite information with reference to the identity of Mr. Moskowitz?

Mr. Markoff. No further than his name.

Mr. Walsh. And you do not remember the name of his attorney?

Mr. Markoff. I don't recall.

Mr. Walsh. Well, when either Mr. Moskowitz or the attorney approached you, will you tell the committee the conversation that you had with him with reference to the purchase of your 17 shares? Mr. Markoff. It was a telephone conversation, merely asking what I would sell, whether I would sell.

Mr. Walsh. Well, had you contemplated selling prior to the time of the offer?

Mr. Markoff. Yes.

Mr. Walsh. Had you told individuals around that you intended to sell your 17 shares in Four Continent Book Corporation?

Mr. Markoff. Yes; I told some individuals of the desire to sell. (At this point Mr. Schadeberg returned to the hearing room.)

Mr. Walsh. Yes. Did you set a price on the stock at that time?

Mr. Markoff. No.

Mr. Walsh. What was the conversation with reference to the attorney, or the telephone conversation with Mr. Moskowitz when he offered to buy your shares in Four Continent Book Corporation?

Mr. Markoff. I can't recall the conversations.

Mr. Walsh. Well, did you know Mr. Ushakoff prior to the time that he became president?

Mr. Markoff. Yes.

Mr. Walsh. How did you know him? (Witness conferred with counsel.)

Mr. Markoff. Mr. Ushakoff was employed by our company.

Mr. Walsh. In what capacity?

Mr. Markoff. Capacity of treating of orders.

Mr. Walsh. Would that be in the classification of an order clerk? Mr. Markoff. Well, we didn't set any title to it, but we could set that title to it, if you like.

Mr. Walsh. Well, what were his duties?

Mr. Markoff. His duties were to fill mail orders.

Mr. Walsh. Prior to the time he became president, did you ever confer with him with reference to the policy of the corporation?

Mr. Markoff. No, sir.

Mr. Walsh. Do you know what his salary was when he was the order clerk?

Mr. Markoff. Somewheres around \$75 a week.

Mr. Walsh. You said \$75 was his salary?

Mr. Markoff. Somewheres around that. I don't recall it exact. Mr. Walsh. Now do you recall the date of the sale of the 17 shares of stock of Four Continent Book Corporation to a Mr. Moskowitz? (Witness conferred with counsel.)

Mr. Markoff. I believe it was around the 5th of January 1960.

Mr. Walsh. Well, was there a contract or an option signed between you and Mr. Moskowitz that you would sell these shares of stock for \$10,000?

(Witness conferred with counsel.)

Mr. Markoff. It was a completed sale at the time of the closing of the deal.

Mr. Walsh. How long had the negotiations been going on between you and Mr. Moskowitz before the sale was actually consummated?

Mr. Markoff. I would say about a week.

Mr. Walsh. Just 1 week.

Mr. Markoff. Yes.

Mr. Walsh. And you offered to sell it for \$10,000, and Moskowitz offered to buy it for \$10,000?

Mr. Markoff. That is correct.

Mr. Walsh. And the sale or the negotiations took approximately 1 week?

Mr. Markoff. That is correct.

Mr. Walsh. Now when Mr. Ushakoff was elected president, were you still a member of the board of directors?

Mr. Markoff. No, sir.

Mr. Walsh. When did you cease being a member of the board and president of the corporation?

Mr. Markoff. On the date of the sale of the stock.

Mr. Walsh. Would it refresh your recollection if I were to tell you that, in a certificate filed with the Department of Justice, the date that Mr. Ushakoff became president was January the 7th of 1960?

Mr. Markoff. It is possible.

Mr. Walsh. Does that refresh your recollection?

Mr. Markoff. I have no information—I have no recollection of information with regard to the time Mr. Ushakoff became president.

Mr. Walsh. And now after you stepped down as president and sold your stock in Four Continent Book Corporation, what did you do then?

Mr. Markoff. I took a vacation.

Mr. Walsh. What is that?

Mr. Markoff. I took a vacation.

Mr. Walsh. And subsequently, did you start to work again?

(Witness conferred with counsel.)

Mr. Needleman. May we have the question again? He lost track of the question.

Mr. Walsh. Will the reporter be kind enough to read the question?

(The reporter read the question.)

Mr. Markoff. I decline to answer that question on the ground of the fifth amendment.

Mr. Walsh. On the ground that it would tend to incriminate you

if you answered to that question?

Mr. Markoff. Well, is that what the fifth amendment provides for?

(Witness conferred with counsel.)

Mr. Markoff. I know the ground covered by the fifth amendment.

Mr. Walsh. What is that?

Mr. Markoff. I know the ground covered by the fifth amendment.

Mr. Walsh. Well, are you currently registered under the Foreign Agents Registration Act?

(Witness conferred with counsel.)

Mr. Markoff. Yes, sir.

Mr. Walsh. I show you a photostatic copy of a short-form registration statement, registration No. 1511, and it was filed on January 23, 1962. I ask you to look at that and tell me whether or not that refreshes your recollection that you did so file that registration certificate?

Mr. Markoff. I decline to answer this question on the same ground,

the ground of the fifth amendment.

Mr. Walsh. Would you look and tell me whether or not that is your signature, and was it sworn to before a notary public on the date specified?

Mr. Markoff. Decline to answer this question, too, on the same

Mr. Walsh. And the same ground is what?

Mr. Markoff. The fifth amendment.

Mr. Walsh. Now, I specifically call your attention to Section No. 5 on page 2, which states for you to answer, "All clubs, societies, committees, and other nonbusiness organizations in the United States or elsewhere * * * of which you have been a member, director, officer, or employee during the past 2 years." And you have listed here. "The Metropolitan Fraternal Club, member, approximately 5 years."

What is the Metropolitan Fraternal Club, of 74 Fifth Avenue, New

York City?

(Witness conferred with counsel.)

Mr. Markoff. I decline to answer that on the same ground, the fifth amendment.

Mr. Walsh. I note that you have also listed: "Fair Play for Cuba Committee, 799 Broadway, NYC, member, approximately 7 months."

Is that correct?

(Witness conferred with counsel.)

Mr. Markoff. I decline to answer that question on the same ground, fifth amendment.

Mr. Walsh. On the ground that it would incriminate you if you

so answered?

Mr. Markoff. Whatever ground the fifth amendment covers. I

know the grounds of the fifth amendment.

Mr. Walsh. Well, it is a personal privilege that you are accorded by the Constitution of the United States, and you decline to answer on that portion of the fifth amendment, which states that you need not be a witness against yourself, and you consider that would incriminate you in some criminal proceeding later on?

Mr. Markoff. That and whatever other ground for the fifth

amendment.

Mr. Walsh. What did you do as a member of the Fair Play for Cuba Committee?

Mr. Markoff. I decline to answer that on the same grounds.

Mr. Walsh. Let me ask you this: Other than the two that I have just referred to, are there any more clubs or societies or committees that you were a member of, and that you did not list?

Mr. Needleman. Mr. Chairman, is that question within the com-

petency of this committee to investigate?

Mr. Tuck. The attorney for the witness is instructed not to violate the rules established for the conduct of the proceedings of this committee,

Mr. Needleman. I cannot properly advise my client unless I have a ruling from the Chair. I am entitled to a ruling from the Chair so that I can give him proper legal advice.

Mr. Tuck. What is the question?

Mr. Needleman. The stenographer can read it. Mr. Walsh. Well, may I first make an observation, that in the event that the counsel deems the question such as he has just stated relevant, I think that the question should be propounded to the witness, and then the witness should ask the Chair for a direction, rather than the counsel, because he has read the rules and regulations of this committee on many occasions.

Mr. Tuck. I so instruct him.

Proceed, Mr. Counsel.

Mr. Walsh. The question was whether or not, other than the two clubs and associations which you have listed, there are any other clubs which you did not list.

(Witness conferred with counsel.)

Mr. Markoff. I decline to answer that question on the ground that it is not within the competency of this committee to investigate my personal affairs.

Mr. Johansen. Mr. Chairman, I ask the Chair to direct and order

the witness to answer that question.

Mr. Tuck. The Chair orders and directs the witness to answer the question.

(Witness conferred with counsel.)

Mr. Markoff. And I decline to answer on the ground of the fifth amendment.

Mr. Walsh. Now Mr. Witness, according to your registration statement, which I have marked as Markoff Exhibit No. 1, and will have filed for reference with the committee, you state that you were an agent of, and I will spell this, R-a-z-n-o-i-z-n-o-s, of Sofia, Bulgaria. Is that correct? That you are the registered agent of Raznoiznos?

Mr. Markoff. You pronounce it right.

Mr. Walsh. Thank you.

Mr. Markoff. What is the exact question? I didn't get it. Mr. Walsh. Well, according to this registration, which we have marked Markoff Exhibit No. 1, that is what it states, that you are the registered agent of Raznoiznos.

Mr. Markoff. Are you asking me a question or making a statement?

Mr. Walsh. I am asking you if that is a fact.

Mr. Markoff. I decline to answer that on the ground of the fifth amendment.

Mr. Johansen. Mr. Chairman, let the record show that the witness is apparently sufficiently familiar with this organization that he knows the proper pronunciation of it by his own statement.

Mr. Needleman. Let the record also show that the witness speaks

Russian, so he would know that.

Mr. Tuck. You are out of order.

Mr. Walsh. What would be the literal translation into English of

Raznoiznos?

Mr. Markoff. Well, that is a Bulgarian name, and I do not have the exact translation of that, but I can help you in defining it as an organization for import and export of literature.

Mr. Walsh. And you were the agent of it?

(Witness conferred with counsel.)

Mr. Markoff. I decline to answer that on the ground of the fifth

amendment.

Mr. Walsh. Well, in other words, with the explanation that you gave of the literal English translation of that name R-a-z-n-o-i-z-n-o-s, is that what it means the importation and exportation of books and pamphlets and literature?

Mr. Markoff. That is correct.

Mr. Walsh. Now, prior to the time that you became the agent of this concern in Sofia, Bulgaria, with whom did you confer with reference to becoming the American agent for it and filing under the Registration Act, the Foreign Agents Registration Act?

Mr. Markoff. I decline to answer the question on the same

ground, the fifth amendment.

Mr. Tuck. The document referred to by counsel is ordered to be filed as an exhibit in this case.

(Document marked "Markoff Exhibit No. 1" and retained in com-

mittee files.)

Mr. Walsh. Now in this registration statement, Markoff Exhibit No. 1, you give us the name and address of the registrant Allan Markoff, director, FAM, F-A-M, Book and Translation Service, 69 Fifth Avenue, New York 3, New York, and your full name is Allan Markoff. Is that correct? Is that the name under which you do business?

Mr. Markoff. I decline to answer that question on the same

grounds.

Mr. Walsh. Well, would you tell the committee what periodicals or books you import and have purchased from Raznoiznos in Bulgaria? (Witness conferred with counsel.)

Mr. Markoff. I decline to answer this question on the same

ground.

Mr. Walsh. Isn't it a fact that you do not import anything from Bulgaria, but that you purchase American books for Bulgaria?

Mr. Markoff. I decline to answer this question on the same

ground.

Mr. Walsh. Do you import books or pamphlets or transcripts or documents in foreign languages?

Mr. Markoff. I decline to answer this question on the same

ground.

Mr. Walsh. Well, do you personally make the language trans-

Mr. Markoff. I decline to answer this question on the same

Mr. Walsh. Have you a staff of the FAM Book and Translation

Service that does make translations? Mr. Markoff. I decline to answer this question on the same grounds.

Mr. Walsh. Do you have any contracts with any individual

for the purpose of doing translations?

Mr. Markoff. I decline to answer this question on the same ground.

Mr. Walsh. Are you a member of the Communist Party at the present time?

(Witness conferred with counsel.)

Mr. Markoff. No, sir.

Mr. Walsh. Have you ever been a member of the Communist Party?

Mr. Markoff. No, sir.

Mr. Walsh. Have you ever contributed money to the support of the Communist Party in the United States? Through donations or otherwise?

Mr. Markoff. I decline to answer that question on the fifth

amendment ground.

Mr. Walsh. Did you know a man by the name of Philip Frankfeld?

Mr. Markoff. Yes, sir.

Mr. Walsh. And did he work for you?

Mr. Markoff. For the corporation; yes, sir.

Mr. Walsh. Yes. Did you hire him?

Mr. Markoff. Yes, sir.

Mr. Walsh. And when did you hire him? Mr. Markoff. I have no recollection of that.

Mr. Walsh. Was it 1956 or 1957?

Mr. Markoff. It is possible. I have no recollection.

Mr. Walsh. How long did he work for you?

Mr. Markoff. Since—from the time he was hired until I left the corporation.

Mr. Walsh. From the time he was what?

Mr. Markoff. From the time he was taken on—from the time he was hired, until the time I left, he remained working there.

Mr. Walsh. Did he personally intercede with you for a job with

the Four Continent Book Corporation?

Mr. Markoff. I have no exact recollection of that happening. I believe so; yes.

Mr. Walsh. Well, did anybody speak on his behalf that you gave

him a job with the Four Continent Book Corporation?

Mr. Markoff. I do not remember. I do not remember anybody interceding; no.

Mr. Walsh. Did you ever know Frankfeld before you hired him?

Mr. Markoff. No, sir.

Mr. Walsh. Did you know his background when he was hired, that he had been convicted of a violation of the Smith Act—

Mr. Markoff. In an investigation——

Mr. Walsh. —which advocates the overthrow of the Government by force and violence?

(Witness conferred with counsel.)

Mr. Markoff. There are two parts to that question. Would you please break up the question?

Mr. Walsh. I will withdraw the question.

Had you known Philip Frankfeld prior to the time that you hired him to work for the Four Continent Book Corporation?

Mr. Markoff. No, sir.

Mr. Walsh. When he applied for a job with you, did you investigate his background?

Mr. Markoff. No, sir.

Mr. Walsh. Did anybody ask you to hire Philip Frankfeld?

Mr. Markoff. No. sir.

Mr. Walsh. Had you learned, prior to the time that you hired him, that he had been convicted and served time for violating the Smith

Act, which advocates the overthrow of the Government by force and violence?

Mr. NEEDLEMAN. The Smith Act? The Smith Act does not

advocate that.

Mr. Walsh. It is a crime to advocate the overthrow of the Government by force and violence.

Did you know that?

(Witness conferred with counsel.)

Mr. Markoff. No, the question was whether I knew? Mr. Walsh. Prior to the time that you hired him?

Mr. Markoff. Yes.

Mr. Walsh. That he had been convicted of a crime of advocating the overthrow of the Government by force and violence. That is my question?

Mr. Markoff. No, sir, I did not know.

Mr. Walsh. Did you ever subsequently learn it, after he was employed by you?

(Witness conferred with counsel.)

Mr. Markoff. Yes, sir.

Mr. Walsh. When did you learn it? Mr. Markoff. After he was employed.

Mr. Walsh. Did you do anything about it at that time when you learned that he had been convicted of that crime?

Mr. Markoff. No, sir. Mr. Walsh. I have no further questions. Mr. Tuck. Do you have any questions?

Mr. Johansen. No questions. Mr. Schadeberg. No questions.

Mr. Bruce. Yes, sir.

You purchased these 17 shares at \$7,500. Is that correct? Mr. Markoff. Whatever the amount is. I think it is \$8,500.

Mr. Bruce. What was the purchase price of the shares? There was a \$7,500 figure, I believe.

(Witness conferred with counsel.)

Mr. Bruce. What was the total amount you paid for the shares that you held in the Continental Book Corporation?

Mr. Needleman. You mean the Four Continent, I assume? You said, "Continental."

Mr. Bruce. Four Continent, yes.

Mr. Walsh. If there were 17 shares, and they were \$520 a share,

that would take about \$8,840, and he sold them for \$10,000.

Mr. Bruce. All right, now you have testified that, during the period that you held these shares and served in the capacity you did with the corporation, there were no profits made. Is that correct?

Mr. Markoff. So far as my recollection goes.

Mr. Bruce. Did you operate at a loss during that period?

Mr. Markoff. It is possible. Some years we had losses, yes.

Mr. Bruce. But not profits.

Mr. Markoff. I don't recollect.

Mr. Bruce. How would you account for the increase in the value of the stock, where you purchased it for slightly over \$8,000, no profits were made, and you sold it for \$10,000? Isn't that a bit strange?

(Witness conferred with counsel.)

Mr. Markoff. Well, I would have sold it for a higher price, if I

Mr. Bruce. Isn't it a bit unique, however, to have a corporation that is a nonprofit corporation, intended or otherwise, and to have the value of the stock go up during that period?

Mr. Markoff. I really have very little knowledge about the value of stocks in relation to profits. I could not answer that question.

Mr. Bruce. Did the corporation receive financial help on a basis of a form of subsidy from some outside organization or-

Mr. Markoff. No, sir. Mr. Bruce. At no time? Mr. Markoff. At no time.

Mr. Johansen. Will the gentleman yield at that point?

Did I understand the witness to testify that there were, or may have been, years in which you operated at a loss?

Mr. Markoff. Well, there may have been some years that at the

end of the year showed a loss of a small amount.

Mr. Johansen. How was the loss made up?

Mr. Bruce. That is the point.

Mr. Markoff. It is difficult to answer. I am not an accountant.

I don't know. It was just——
Mr. Bruce. How do you stay in business, running in red ink that way? As manager of the corporation, you mean you do not know at the end of the year, when you ended up with a loss, how you paid the bills?

Mr. Markoff. Well, the losses were not serious. If there were any losses, they were probably a very small fraction of the amount of business done, and such small losses can be evidently absorbed in the running of the business.

Mr. Bruce. You made a profit, then, the following year— is that what you are saying—which compensated for the loss in the prior year?

Mr. Markoff. Yes, that is quite possible. I haven't got the records with me, so I really could not give you a scientific answer.

Mr. Bruce. As the manager of the corporation, you do not know whether you made loss or a profit. How many years were involved

Mr. Walsh. Eleven.

(Witness conferred with counsel.)

Mr. Markoff. Well, as I explained to you, sir, I certainly knew whether we are making a profit or a loss. The accountants' statement at the end of the year showed whether there was a profit or a loss.

The losses or profits were negligible amounts, and they could not by themselves either make or break the business.

Mr. Bruce. Did you ever find it necessary to go to outside sources for financial help to keep the business operating?

Mr. Markoff. No.

Mr. Bruce. At no time?

Mr. Markoff. No.

Mr. Bruce. No further questions. Mr. Tuck. The witness may stand aside. Unless counsel has further questions, you are excused.

(Witness excused.)

Mr. Walsh. Mr. Ushakoff.

(At this point Mr. Schadeberg left the hearing room.)

Mr. Tuck. We will have a 5-minute recess.

(Short recess taken.)

Mr. Tuck. Will the witness stand and raise his right hand?

Do you solemnly swear the testimony you are about to give before this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Ushakoff. I do.

Mr. Tuck. You may be seated.

TESTIMONY OF SERGE P. USHAKOFF, ACCOMPANIED BY COUNSEL, ISIDORE G. NEEDLEMAN

Mr. Walsh. Mr. Ushakoff, will you state for the record your complete full name?

Mr. Ushakoff. Serge P. Ushakoff.

Mr. Walsh. And where and when were you born?

Mr. Ushakoff. In Russia.

Mr. Walsh. And where do you live now?

Mr. Ushakoff. In New York. Mr. Walsh. Where?

Mr. Ushakoff. 317 West 87th Street.

Mr. Walsh. Will counsel please identify himself?

Mr. Needleman, 165 Broadway, New York 6.

Mr. Walsh. And when did you enter the United States?

Mr. Ushakoff. In September—I do not remember the exact date in September 1941.

Mr. Walsh. And are you at the present time a citizen of the

United States?

Mr. Ushakoff. Yes.

Mr. Walsh. When and where were you nationalized?

Mr. Ushakoff. In 1947, here in New York.

Mr. Walsh. In the Southern District of New York?

Mr. Ushakoff. Yes.

Mr. Walsh. Now prior to the time of your entrance into the United States in 1941, what occupation were you engaged in?

Mr. Ushakoff. I have been in fur business for-Mr. Walsh. What business?

Mr. Ushakoff. Fur business, f-u-r. Mr. Walsh. Fur business, yes.

Mr. Ushakoff. For at least 8 years.

Mr. Walsh. And were you also in the fur business when you were in China?

Mr. Ushakoff. All the time.

Mr. Walsh. You never had any experience before with the publication of books or the importation of books for publication?

Mr. Ushakoff. No.

Mr. Walsh. Now would you tell me your occupational background since you entered the United States in 1941?

Mr. Ushakoff. I was president—I mean, vice president of Far

East Fur Company, Incorporated.

Mr. Walsh. Is that an American corporation?

Mr. Ushakoff. An American corporation.

Mr. Walsh. What State is it incorporated in?

Mr. Ushakoff. New York State. (Witness conferred with counsel.)

Mr. Ushakoff. The corporation was closed in 1957.

Mr. Walsh. I see. And what did you do after 1957? What

was your occupation?

Mr. Ushakoff. Now for a while—in that period, for about 3 years, I didn't do anything. I took a vacation, and then I switched myself to another kind of business, book business.

Mr. Walsh. Now you were elected president—

Mr. Ushakoff. Yes.

Mr. Walsh. —of the Four Continent Book Corporation?

Mr. Ushakoff. Yes.

Mr. Walsh. In January of 1960?

Mr. Ushakoff. To be exact, January the 5th.

Mr. Walsh. January the 5th.

Mr. Ushakoff. Yes.

Mr. Walsh. Now did you purchase shares of stock in the Four Continent Book Corporation?

(Witness conferred with counsel.)

Mr. Walsh. Would you repeat the question, Miss Reporter?

(The reporter read the question.)

Mr. USHAKOFF. Well, I purchased stock of Four Continent Book Corporation through Mr. Morris Moskowitz, who had been my accountant at least for 7 or 8 years.

Mr. Walsh. And where is he located in New York?

Mr. Ushakoff. He is located—he moved now. It is, I think, Woolworth Building, a law company. The name of the law company is Rosenthal and Moskowitz.

Mr. Walsh. It is a law firm?

Mr. Ushakoff. I mean an accounting firm, ves.

Mr. Walsh. Now would you tell the committee the circumstances under which you first became interested in the Four Continent Book

Corporation?

Mr. USHAKOFF. Well, the import of furs from China was ceased on account of the general circumstances, so I forced to close my company. Well, I was looking for investment, for a business, to do something, so I decided to buy this business.

Mr. Walsh. Well, had you worked for the corporation? Mr. Ushakoff. Yes, I worked. I don't remember.

Mr. Walsh. How long had you worked? Mr. Ushakoff. I think less than 1 year.

Mr. Walsh. Less than 1 year, and did you have a conversation with Mr. Markoff?

Mr. Ushakoff. No, never.

Mr. Walsh. You never discussed it with him?

Mr. Ushakoff. No, but I knew that business was for sale. Mr. Walsh. And how much did you pay for the 17 shares?

Mr. USHAKOFF. For his shares, I paid \$10,000.

Mr. Walsh. And you authorized Mr. Moskowitz to negotiate for you?

Mr. Ushakoff. That is right, he would negotiate and he bought

the business.

Mr. Walsh. Now what is the capitalization of the company? How

many shares outstanding?

Mr. Ushakoff. Well, I bought shares from Mr. Markoff, I paid \$10,000, and the rest of the shares I bought from his former partner, Mr. Budin. I paid him \$5,000. It makes all together \$15,000.

Mr. Walsh. And who negotiated the sale from Mr. Budin for you?

(Witness conferred with counsel.)

Mr. Ushakoff. You see, I could not get together with Mr. Budin, and I decided to buy his part.

Mr. Walsh. You bought eight shares for \$5,000?

Mr. USHAKOFF. \$5,000, yes.

Mr. Tuck. Do we have many more questions to ask this witness?

Mr. Walsh. Yes, we do, sir. Mr. Tuck. There is a quorum call, and I would suggest a recess and that we come back at 2:15 p.m.

Is there any objection to that?

Mr. Walsh. No, sir. Mr. Tuck. We have to go to answer that quorum.

Mr. Walsh. Yes, sir.

Mr. Tuck. I suggest we stand in recess until then. The subcommittee will stand in recess until 2:15 p.m.

(Members present at time of recess: Representatives Tuck and

Johansen.)

(Whereupon, at 12:20 p.m., Thursday, May 17, 1962, the subcommittee recessed, to reconvene in the afternoon of the same day.)

AFTERNOON SESSION-THURSDAY, MAY 17, 1962

(The subcommittee reconvened at 2:20 p.m., Hon. William M. Tuck, presiding.

Mr. Tuck. The committee will please come to order.

Is Mr. Sharpe in the room? 1 Mr. Walsh. Mr. Ushakoff?

TESTIMONY OF SERGE P. USHAKOFF-Resumed

Mr. Walsh. You already have been sworn, Mr. Ushakoff.

What salary did you receive from the Four Continent Books in your capacity as order clerk?

Mr. Ushakoff. Seventy-five dollars.

Mr. Walsh. Seventy-five dollars, and what is your salary as president?

Mr. Ushakoff. One hundred twenty-five.

Mr. Walsh. How much?

Mr. Ushakoff. One hundred twenty-five.

Mr. Walsh. A week? Mr. Ushakoff. Yes.

Mr. Walsh. Now you were served with a subpena, were you not, Mr. Ushakoff, as president of the Four Continent? You were served on May the 9th, 1962, and the subpena reads, "Serge P. Ushakoff, president, Four Continent Book Corporation," and it asks you to produce copies of "all contracts or agreements between Four Continent Book Corporation and any individual, firm, corporation or

¹ Testimony of Myron E. Sharpe (resumed) is printed in Part 1 pp. 1663, 1664.

government, domestic or foreign, relating to the importation, sale or dissemination of books, magazines, periodicals, pamphlets."

Have you produced such a copy of the contract?

Mr. Ushakoff. Yes.

(Documents were handed to counsel.)

Mr. Walsh. Thank you very much. It also calls for copies of all contracts or agreements between Four Continent Book Corporation and any individual, firm, or corporation relating to the delivery and sale of books, magazines, periodicals, pamphlets, imported from a foreign organization or establishment or received from an individual firm or corporation registered under the Foreign Agents Registration Act.

Mr. Ushakoff. I don't have any contracts. Mr. Walsh. You do not have any contracts?

Mr. Needleman. Other than.

Mr. Walsh. Well, he has produced them.

Now do you have any contracts with the American-owned bookshops or bookstores—

Mr. Ushakoff. No, I don't.

Mr. Walsh. For instance, the International Book Store, Inc., San Francisco, California?

Mr. Ushakoff. No, I don't have any.

Mr. Walsh. Well, let me rephrase that, and do you ship in bulk quantity any of your pamplets or books to the International Book Store, San Francisco, California?

(Witness conferred with counsel.)

Mr. Ushakoff. Well, we ship them from time to time, you know, 10 to 15 books, that is all.

Mr. Walsh. You have no contract with them?

Mr. Ushakoff. No.

Mr. Walsh. What is the agreement between the Four Continent and the International Book Store?

Mr. Ushakoff. Well, they have their trade discount, that is all.

Mr. Walsh. What does that trade discount amount to?

Mr. Ushakoff. That is 35 percent. Mr. Walsh. Thirty-five percent.

How about the Znanie, Z-n-a-n-i-e Book Shop in San Francisco. Do you ship in bulk to them?

Mr. Ushakoff. What, will you repeat it again?

Mr. Walsh. Do you ship, in bulk, your publications to the Znanie Book Shop, San Francisco, California?

Mr. Ushakoff. I don't remember. It seems to me, no.

Mr. Walsh. How about the Progress Books?

Mr. Ushakoff. Progress, yes.

Mr. Walsh. And you also give them a trade discount?

Mr. Ushakoff. Yes.

Mr. Walsh. How about the Free Press and Publications, in Cleveland, Ohio?

Mr. Ushakoff. I cannot recall.

Mr. Walsh. How about the Frontier Books, 106 Cherry Street, Seattle, Washington?

Mr. Ushakoff. No.

Mr. Walsh. The Modern Book Store, Chicago, Illinois?

Mr. Ushakoff. No.

Mr. Walsh. Paul Romaine, R-o-m-a-i-n-e, Chicago, Illinois?

Mr. Ushakoff. I don't recall.

Mr. Walsh. The Vilnis Book Shop, in Chicago, Illinois?

Mr. Ushakoff. Well, we sent a couple of times to the company who handled the books, but I don't remember the name of the company of them.

Mr. Walsh. How about the Dolgich Book Shop, D-o-l-g-i-c-h? Mr. USHAKOFF. Dolgich, yes, we send them this year, I think,

two or three times.

Mr. Walsh. And the Schoenhof, S-c-h-o-e-n-h-o-f?

Mr. Ushakoff. Very seldom.

Mr. Walsh. But you do send them to them?

Mr. Ushakoff. Yes.

Mr. Walsh. And they get the grade discount?

Mr. Ushakoff. Yes.

Mr. Walsh. And the Berenson, B-e-r-e-n-s-o-n, Books in Detroit,

Mr. Ushakoff. That I cannot recall. I am sorry, I don't remem-

ber.

Mr. Walsh. How about the Global Books, in Detroit, Michigan?

Mr. Ushakoff. I don't remember.

Mr. Walsh. How about Victor Kamkin, K-a-m-k-i-n, Washington, D.C.?

Mr. Ushakoff. Victor Kamkin, no.

Mr. Walsh. The Jefferson Book Shop, in New York City?

Mr. Ushakoff. Well, they buy from time to time, the man comes and buys several.

Mr. Walsh. Do they get the trade discount also?

Mr. Ushakoff. Yes.

Mr. Walsh. The Universal Distributors in New York City? Mr. Ushakoff. Universal Distributors, this is on 13th Street?

Mr. Walsh. I believe it is, yes.

Mr. Ushakoff. No.

Mr. Walsh. How about World Books, 747 Broadway?

Mr. Ushakoff. Yes.

Mr. Walsh. Well, you knew Frankfeld and you worked with him? Mr. Ushakoff. Yes, I know him, but I never have sold him any-

Mr. Walsh. I am going to show to you a registration statement by the Four Continent Book Corporation, filed November the 7th, 1960, which is an amendment, and ask you to look at that and tell me whether or not you are the person who swore to that under oath and filed that with the Department of Justice?

(Document handed to witness.) (Witness conferred with counsel.)

Mr. Ushakoff. Yes, it is my signature.

Mr. Walsh. And that is the registration amendment to the registration which you filed?

Mr. Tuck. Are you going to file that?

Mr. Walsh. Yes, I would like to mark this Ushakoff Exhibit No. 1. Mr. Tuck. It is ordered so marked and will be filed with the committee records.

(Document marked "Ushakoff Exhibit No. 1" and retained in committee files.)

Mr. Walsh. Now I note that as of January 5, 1960, you became president and treasurer?

Mr. Ushakoff. That is right.

Mr. Walsh. And I assume your wife, Sofia A. Ushakoff, became secretary and a member of the board of directors in January?

Mr. USHAKOFF. That is right.

Mr. Walsh. And I notice here that an I. G. Needleman, of 165 Broadway, was a member of the board of directors as of May 1960. Is that correct?

Mr. Ushakoff. That is right.

Mr. Walsh. You did state this morning that you had a Morris Moskowitz negotiate for the sale or the purchase of the stock?

Mr. Ushakoff. That is right.

Mr. Walsh. And did he relate to you any of the conversations that he had with Mr. Markoff with reference to the negotiations, that he was willing to sell?

(Witness conferred with counsel.)

Mr. USHAKOFF. Well, I wanted him to approach Mr. Markoff and to start the negotiations to buy the business.

Mr. Walsh. And how long were these negotiations in progress be-

fore you were successful in buying the business?

Mr. Ushakoff. It was, I don't remember exactly, a few weeks, anyway.

Mr. Walsh. Was there any reason why you used Mr. Moskowitz

to approach Mr. Markoff?

Mr. Ushakoff. No special reason, but, you know, I could see that it would be easier to complete the deal if I don't appear personally.

Mr. Walsh. Now I show you another document filed February 17, 1960, Exhibit No. 2, and ask you to look at that and tell me if that is a true, correct statement that you made when you say you purchased 17 shares of the stock and that then you were elected president? Who elected you president? Who were the members of the board of directors when you became president?

(Document handed to witness.)
(Witness conferred with counsel.)

Mr. Ushakoff. I am——

(Document marked "Ushakoff Exhibit No. 2" and retained in committee files.)

Mr. Walsh. Perhaps this will refresh your recollection, if you look

at item 4(b) [of Exhibit No. 1].

Mr. Needleman. Well, that is people who ceased to be officers. Mr. Walsh. Yes, I understand that, but who were the members of the board when he was elected?

(Witness conferred with counsel.)

Mr. Ushakoff. These are people who ceased to be members of the corporation.

Mr. Walsh. Well, one did not cease to be a member until May the

27th of 1960, is that correct?

Mr. Ushakoff. Yes. Mr. Walsh. And then Mr. Needleman took his place in May?

Mr. Needleman. What is the question?

Mr. Walsh. Who elected you as president, what directors, if any? (Witness conferred with counsel.)

Mr. USHAKOFF. Shaya Budin and myself.

Mr. Walsh. Why do you say Shaya Budin, when he is referred to as Shaya Beresky in this?

Mr. USHAKOFF. Well, it is hard to explain. Mr. Walsh. Would you explain that, sir?

Mr. Ushakoff. Well, he used to—he always used the name as Shava Budin. I would not be able to give you any particulars.

Mr. Walsh. Well, did you know his correct name to be Shava

Beresky?

Mr. USHAKOFF. Yes, both names are correct. Mr. Walsh. He uses both names?

Mr. Ushakoff. Yes.

Mr. Walsh. Indiscriminately. Do you know whether or not he has ever had his name legally changed to Budin?

Mr. USHAKOFF. This I don't know.

Mr. Walsh. Now may I have this marked as Ushakoff Exhibit 3 and filed for reference? This Exhibit No. 3 is the Supplemental Registration Statement filed February the 1st, 1962.

Mr. Tuck. The document will be thus marked and filed.

Mr. Walsh. And in this document, you reported a loan of \$5,500 from the Office of the Commercial Counselor of the U.S.S.R.

Mr. USHAKOFF. Yes, I did.

Mr. Walsh. Will you tell us the reason for the loan?

Mr. Ushakoff. Well, I, you know, spent a lot of money on moving from Broadway to Fifth Avenue, and, well, I applied to them to help me out for a couple of months, and they did, and I paid it back.

Mr. Walsh. When did you make this loan?

Mr. Ushakoff. I don't know exactly. Mr. Walsh. Will this refresh your recollection, page 7, 13(b)?

(Document handed to witness.) (Witness conferred with counsel.) Mr. Ushakoff. That is correct.

(Document marked "Ushakoff Exhibit No. 3" and retained in committee files.)

Mr. Walsh. What date is that? Does it give a date?

Mr. Ushakoff. I made the loan in May and I repaid it in full by December 1961.

Mr. Johansen. Mr. Chairman, it is a little difficult to hear. From whom did you borrow the money?

Mr. Walsh. The Commercial Counselor, U.S.S.R.

Mr. Johansen. Thank you.

Mr. Walsh. Now was there any relationship between the loan which you received from the Commercial Counselor, U.S.S.R. and the purchase of your stock from Mr. Shaya Beresky or Budin?

Mr. Ushakoff. No, I used my own money and I took it from my

account at the National City Bank.

Mr. Walsh. Who is the Commercial Counselor for the U.S.S.R. in this country?

Mr. Ushakoff. I don't know.

Mr. Walsh. Well, how did you make an application for that loan?

Mr. Ushakoff. I didn't make any application. I was there.

Mr. Walsh. You were where?

Mr. Ushakoff. At the Commercial Counselor.

Mr. Walsh. Where is he located?

Mr. USHAKOFF. At 18th—in Washington.

Mr. Walsh. And with whom did you speak?

Mr. Ushakoff. Mr. Gribkov.

Mr. Walsh. Could you spell that, please?

Mr. Ushakoff. G-r-i-b-k-o-v.

Mr. Walsh. And what is his first name?

Mr. Ushakoff. I don't know.

Mr. Walsh. Is he in the diplomatic corps here?

Mr. Ushakoff. I really don't know.

Mr. Walsh. Well, did you have any introduction to him, or-Mr. Ushakoff. No, just because, you know, I buy books from them, and I explained the situation, I explained to them that I

needed a few thousand dollars, and they gave them, and I repaid it.

Mr. Walsh. Was that an interest-free loan?

Mr. Ushakoff. Interest-free? Mr. Walsh. Interest-free.

Mr. Ushakoff. Yes.

Mr. Walsh. Now what books do you buy from the Commerical

Counselor, as you just stated?
Mr. Ushakoff. Nothing, I don't buy anything from the Commercial. I buy from the organization called Mezhdunarodnaya Kniga in Moscow.

Mr. Walsh. In translating the Russian into English, that is the International Book Company of Moscow?

Mr. Ushakoff. International Book, yes.

Mr. Walsh. And you stated this morning that you were employed as an order clerk in this establishment?

Mr. Ushakoff. Yes.

Mr. Walsh. For approximately a year?

Mr. Ushakoff. Yes.

Mr. Walsh. Now since you have been president of the corporation, you stated that you received the salary of \$125 per week.

Mr. Ushakoff. Yes.

Mr. Walsh. And have you ever participated in, or has the board of directors ever declared, a dividend on these shares of stock which you own?

Mr. Ushakoff. No.

Mr. Walsh. To recapitulate, you bought 17 shares from Mr. Markoff, and 8 shares from Mr. Beresky or Budin?

Mr. Ushakoff. That is right.

Mr. Walsh. So you own the corporation now in total? Mr. Ushakoff. Yes.

Mr. Walsh. And you also stated that you paid \$15,000 for the 25 shares.

Mr. Ushakoff. That is right.

Mr. Walsh. How did it happen that Mr. Needleman became a member of the board of directors of your corporation?

Mr. Ushakoff. You see, Mr. Needleman was counselor of the

company.

Mr. Walsh. Prior to the time that you assumed the presidency?

Mr. USHAKOFF. That is right.

Mr. Walsh. And is that the reason why?

Mr. Ushakoff. I decided to invite him to be a member of the board of directors.

Mr. Walsh. Is he still a member of the board of directors?

Mr. USHAKOFF. Yes.

Mr. Needleman. Only because he has not got a third member—off

Mr. Ushakoff. No, that isn't true. Mr. Needleman. Tell him that.

Mr. Ushakoff. Because I needed a third one to be a director, so I

invited him to be.

Mr. Walsh. You do not show that he is a member of the board of directors in one of your registration statements, I note, and I refer now to Exhibit 3, which is the registration statement filed on February the 1st, 1962.

I show you and direct your attention to question No. 9 on page 3.

Does that refresh your recollection? (Document handed to witness.) (Witness conferred with counsel.)

Mr. Ushakoff. It was my mistake. I am sorry.

Mr. Walsh. Now I show you Exhibit No. 4, and may we file this with the committee for reference?

Mr. Tuck. The papers are ordered filed.

Mr. Walsh. This is short-form registration statement, and it was filed on November the 25th, 1960, by Isidore Gibby Needleman, and I direct your attention to question No. 5, which requires the signer of this to state: "All clubs, societies, committees, and other non-business organizations in the United States or elsewhere * * * of which you have been a member, director, officer, or employee during the past 2 years," and he states, "I invoke the 5th amendment as to this question."

Did you look at this statement? (Document handed to witness.)

Mr. Ushakoff. To be frank with you, I did not, and it is not my business to know what other persons-

Mr. Walsh. Well, he is on the board of directors?

Mr. Ushakoff. Yes, but I consider that it is not my business. It is a personal thing.

Mr. NEEDLEMAN. You want to get me fired?

Mr. Walsh. If your corporation, the Four Continent Book Corporation, files a registration statement, aren't you interested in what it says in it?

(Witness conferred with counsel.)

Mr. Ushakoff. Well, I repeat again, it is not my business, and I decline to discuss it.

(Document marked "Ushakoff Exhibit No. 4" and retained in

committee files.)

Mr. Walsh. Is this the first time that you ever knew that he invoked the fifth amendment in refusing to answer these questions?

Mr. Ushakoff. No, somehow I passed by, and I didn't even take

any interest in this.

Mr. Walsh. Well, have you ever asked him why he took the fifth amendment in refusing to answer these questions?

Mr. Ushakoff. No.

Mr. Needleman. I would not tell him if he did. Mr. Walsh. Mr. Witness, would you answer the question, please? Mr. Ushakoff. You know, those things, I consider it improper to ask questions, personal things, why should I ask?

Mr. Walsh. Now I show you Exhibit No. 3, already marked for reference by this committee, and direct your attention to question No. 6 on page 2 and ask you to look at it. Are these all the principals that you represent, as of that date?

(Document was handed to witness.) (Witness conferred with counsel.)

Mr. Ushakoff. Yes, we were representative. Mr. Walsh. Of these corporations?

Mr. Ushakoff. Yes.

Mr. Walsh. You have furnished to us the contract pursuant to the subpena, the contract which you have now with what we will call the International Book Company.

Mr. Ushakoff. Yes, M.K.

Mr. Walsh. Now what is this S.R.T. Praha, P-r-a-h-a?

Mr. Ushakoff. Well, I do not have any contracts with them.

Mr. Walsh. What is it, I asked you, first.

Mr. Ushakoff. What?

Mr. Walsh. I asked you, first, what is it, and what do you do

for them?

Mr. Ushakoff. Well, this is some organization, I even don't know, in Czechoslovakia, where from we get, you know, periodicals from time to time.

Mr. Walsh. You get orders from them?

Mr. Ushakoff. Periodicals from time to time.

Mr. Walsh. Periodicals?

Mr. Ushakoff. But the business is negligible, you know, now; I gave it up.

Mr. Walsh. Did you ever have any correspondence with S.R.T.

Praha?

Mr. Ushakoff. No, I did not.

Mr. Walsh. Asking to send these periodicals to you for distribution

to the United States?

Mr. Ushakoff. I usually send them order, you know, on our blank, that we need such-and-such book, and the business is run maybe in tens of dollars, that is all. Sometimes, you know, university needs the book, you know, we order it, that is all.

Mr. Walsh. How about Zeit Im Bild, Z-e-i-t, I-m, B-i-l-d, three

words, Dresden?

Mr. Ushakoff. No.

Mr. Walsh. And your answer is the same as your answer previously stated?

Mr. Ushakoff. The same thing. I doubt if we make business with

them, maybe \$50, \$60 a year, that is all.

Mr. Walsh. Now may I mark this Ushakoff Exhibit No. 5 for reference?

Mr. Tuck. The paper will be so marked and filed.

Mr. Walsh. This is the agreement between the International Book of Moscow and the Four Continent Book Corporation, and I specifically call your attention to the second paragraph under Item 2, in which it states:

The Buyer shall receive a discount from the indicated prices as follows:

	Percent
Books	70
Periodicals—Retail	70
Periodicals—Subscription	60
Other publications	70

Does that mean you get a discount of 70 percent on all the books that you purchase from the International Book?

(Document handed to witness.) Mr. USHAKOFF. That is right.

Mr. Walsh. And then, in turn, you distribute them in the United States?

Mr. Ushakoff. That is right.

(Document marked "Ushakoff Exhibit No. 5" and retained in committee files.)

Mr. Walsh. Do you know whether or not this was always the rate

of commission?

Mr. Ushakoff. I beg your pardon, sir?

Mr. Walsh. Do you know whether or not this discount rate had been in existence prior to July the 1st, 1960, when you signed this contract?

Mr. Ushakoff. As far as I could recall, before, it was 60 percent

Mr. Walsh. Did you ask for an increase in the discount?

Mr. Ushakoff. Yes, because I increased the expenses, and they granted me discount on the books, and other things they left at 60 percent.

Mr. Walsh. Now did you have correspondence with the International Book Company of Moscow prior to the time that you signed

this contract, July 1, 1960?

Mr. USHAKOFF. No, I did not.

Mr. Walsh. Does the International Book Company of Moscow have a representative in the United States?

Mr. Ushakoff. Well, yes, they have representative here.

Mr. Walsh. Who is it?

Mr. Ushakoff. All the time, it was that-

Mr. Walsh. This is 1960.

(Witness conferred with counsel.)

Mr. Ushakoff. I am trying to recall the name of the person who was prior of the-

Mr. Walsh. Was it Gribkov that you mentioned before?

Mr. Ushakoff. No, no. Mr. Walsh. Was he in the office with the Commercial Counselor of the U.S.S.R.?

Mr. Ushakoff. I would say yes, but I really don't know, you know, when they get in—

Mr. Walsh. Where in Washington did you see him?

Mr. Ushakoff. In Washington, I see him in the office of the Commercial Attaché.

Mr. Walsh. Where is that located?

Mr. Ushakoff. On 18th Street Northwest. I don't remember the number of the building.

Mr. Walsh. Is that the Soviet Embassy in Washington, D.C.?

Mr. Ushakoff. No, no.

Mr. Walsh. It is connected with it, however?

Mr. Ushakoff. Evidently, yes. Mr. Walsh. And more or less an adjunct to it for its commercial enterprises here in this country? Is that correct?

(Witness conferred with counsel.)

Mr. Ushakoff. Well, that I really don't know.

Mr. Walsh. Now, Mr. Needleman, please, you are entitled to advise him with reference to his constitutional rights, but you cannot put answers in his mouth, which I heard you do just now. I wish you would refrain from that, sir.

Mr. NEEDLEMAN. It is the first time I did.

Mr. Walsh. It is the first time I called your attention to it.

Now who was the individual in the Commercial Counselor's office with whom you did business and signed this contract?

Will this refresh your recollection, looking at the lefthand corner

in the bottom?

(Document was handed to witness.) Mr. Ushakoff. Well, when I— (Witness conferred with counsel.)

Mr. Ushakoff. It is Tsapenko, signature.

Mr. Walsh. Will you spell that out, please? Maybe you can read

Mr. Ushakoff. Just a second. T-s-a-p-e-n-k-o.

Mr. Walsh. What is his first name?

Mr. Ushakoff. Nicolai.

Mr. Walsh. And is he stationed here in Washington?

Mr. Ushakoff. Yes.

Mr. Walsh. And how long has he been stationed here?

Mr. Ushakoff. This I don't know.

Mr. Walsh. When was the last time you saw him?

Mr. Ushakoff. In fact, I saw him yesterday, in New York.

Mr. Walsh. In New York?

Mr. Ushakoff. Yes.

Mr. Walsh. Was it in connection with your business with the Four Continent Book Corporation?

Mr. Ushakoff. Yes.

Mr. Walsh. Did you tell him that you were going to have the honor of appearing before this committee? Mr. Ushakoff. No.

Mr. Walsh. What is the relationship between the Crosscurrents Press, Inc., and the Four Continent Book Corporation, if any?

Mr. Ushakoff. No relation at all.

Mr. Walsh. Any financial?

Mr. Ushakoff. No.

Mr. Walsh. Now in the registration statement filed by the Crosscurrents Press—

Mr. Ushakoff. Yes.

Mr. Walsh. —and more particularly in that part known as the dissemination report, I note that the Program of the Communist Party of the Soviet Union—that was a book published by the Crosscurrents Press—the Four Continent Book Corporation of New York purchased 10,000 copies of this particular book.

Will you describe the circumstances under which you bought this

book?

(Witness conferred with counsel.)

Mr. Needleman. Does that say that he bought 10,000 copies?

Mr. Appell. Disseminated to him 10,000 copies.

Mr. Walsh. Let me put it this way, I said that, according to this dissemination report, the Four Continent Book Corporation, New York, received 10,000 copies when the Crosscurrents Press disseminated, and I might add that that was filed with the Department of Justice.

Mr. Needleman. Of what speech, did you say?

Mr. Walsh. And there were approximately 32,325 copies delivered to the Soviet Embassy in Washington, D.C.

(Witness conferred with counsel.)

Mr. Walsh. Will you tell the committee. They are the ones interested; Mr. Needleman knows about it.

Mr. Ushakoff. Well, we had in stock a couple of dozen, but I

don't know anything about 10,000.

Mr. Walsh. In other words, you did not receive 10,000 copies of this Program of the Communist Party of the Soviet Union?

Mr. Ushakoff. No.

Mr. Walsh. How many copies would you say you did receive? Mr. Ushakoff. Offhand, I cannot tell you. But I know I had-

Mr. Walsh. Would your books reflect that you received a certain number of these copies?

Mr. Ushakoff. A certain—anyway, a few dozen of books we

received, we bought, and we kept it in the store. Mr. Walsh. Were those books on consignment?

Mr. Ushakoff. No, we never received anything on consignment.

Mr. Walsh. In other words, then, you purchased from the Cross-currents Press, as you say, a couple of dozen books. Did you pay for them?

Mr. Ushakoff. Sure I paid for them.

Mr. Walsh. What discount do you get from them?

Mr. Ushakoff. Forty percent.

Mr. Walsh. Forty percent. How do you pay, by check or cash?

Mr. Ushakoff. By check.

Mr. Walsh. Yes. And then, for instance, after you received these—how many dozen did you say you received, approximately?

Mr. Ushakoff. I don't remember offhand, but anyway, a few

dozen.

Mr. Walsh. Could you refresh your recollection by looking at your books to find out exactly how many of these booklets, namely, the Program of the Communist Party of the Soviet Union, you did receive? Could you, sir?

Mr. USHAKOFF. Well, I don't remember offhand.

Mr. Needleman. He says, could you tell from your books?

Mr. Walsh. Your books of account?

Mr. Ushakoff. Oh, no, I would not be able to tell that, because we just, you know, would enter it in bulk, and the amount I paid for, I could judge how many books I bought, but you know, I-

Mr. Walsh. In other words, you do keep books in this corporation,

I presume?

show you.

Mr. Ushakoff. What kind of books?

Mr. Walsh. Books of account, general ledger, cashbooks? Mr. Ushakoff. Oh, yes, sure I kept them.

Mr. Walsh. And you have them, as president, at the present time?

Mr. Ushakoff. Yes, sure.

Mr. Walsh. So you could refer to those books if you cared to? Mr. Ushakoff. Well, how much I paid to Crosscurrents, I can

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Mr. Walsh. And the date? Mr. Ushakoff. And the date.

Mr. Walsh. Would you please advise this committee of that fact when you get back to New York?

Mr. NEEDLEMAN. If you will state it concretely, I will make a

note of it, and see that we get it.

Mr. Walsh. I would like to know the date when the Four Continent Book Corporation received from Crosscurrents Press booklets known as the *Program of the Communist Party of the Soviet Union*, how many copies received, and the price paid for the same.

And did you also receive from the Crosscurrents Press a booklet

entitled Mikoyan in Cuba?

Mr. Ushakoff. No.

Mr. Walsh. Just for the sake of curiosity, would you be kind enough to check that, too, in your books?

Mr. USHAKOFF. All right, I will check, but I don't think we received

it.

Mr. Walsh. Now did you ever receive from the International Arts and Sciences Press a magazine known as Soviet Highlights?

According to the dissemination report, you received 50 copies of each issue. Do you remember that, sir?

Mr. Ushakoff. No.

Mr. Walsh. Would you also be kind enough to check that in your books?

Mr. Ushakoff. Yes, I will check and give you the entire.

Mr. Walsh. Give me the information? Mr. Needleman. What was that title?

Mr. Walsh. Soviet Highlights and also Soviet Review. It is one and the same book, but the name was changed for purposes best known to Crosscurrents.

Mr. Ushakoff. Of that Review, Soviet Review, we have about a

couple of dozen.

Mr. Walsh. Will you give us the same information as to Soviet Highlights and Soviet Review?

Mr. Ushakoff. Yes.

Mr. Walsh. According to the registration statement, you have approximately 25 employees. Is that correct?

Mr. Ushakoff. Correct.

Mr. Walsh. Do you ever go into their background with reference to whether or not they are members of any subversive organization?

Mr. Ushakoff. No, I never asked those kind of questions. In most cases, I take the employees through the union.

Mr. Walsh. The union? Mr. Ushakoff. Yes.

Mr. Walsh. Was Frankfeld sent to the Four Continent through a union?

Mr. Ushakoff. About Frankfeld I can't tell you anything, because he was taken by the, you know——

Mr. Walsh. Markoff?

Mr. Ushakoff. Yes. And we discharged him when I took the business, because we had to cut the staff.

Mr. Walsh. Is that the only reason why you discharged him?

Mr. Ushakoff. Yes, to cut the expenses.

Mr. Walsh. Well, you knew him, because you worked with him?

Mr. Ushakoff. No, I worked in an entirely different building. He worked in the office, I worked in the storage room, and this is the entirely different building.

Mr. Walsh. Did you ever see Frankfeld after he left your em-

ployment?

Mr. Ushakoff. No.

Mr. Walsh. Did you know that he was making a statement and became an agent for a foreign power?

Mr. Ushakoff. I heard of it, but still I never have seen him.

Mr. Walsh. Have you ever done business with—

Mr. Ushakoff. With him?

Mr. Walsh. With Mr. Frankfeld under his new assumed name of World Books?

Mr. Ushakoff. No, never.

Mr. Walsh. Other than the three individuals, or the three foreign principals, have you ever done any business with any other that you have failed to mention there?

Mr. Ushakoff. Which ones? (Witness conferred with counsel.)

Mr. Ushakoff. This is from Czechoslovakia? What?

Mr. Walsh. I asked you if there were any principals, other than the three that you have mentioned in the statement, that you have imported books or have done any work for?

(Witness conferred with counsel.)

Mr. Ushakoff. No, I don't have anybody.

Mr. Walsh. And you only do work for your foreign principal known as Mezhdunarodnaya Kniga?

Mr. Ushakoff. Mezhdunarodnaya Kniga, that is right.

Mr. Walsh. Yes. And you, I presume, looked over the books of your corporation and know the contents of it and what they have been doing since 1948 up to date?

(Witness conferred with counsel.)

Mr. Ushakoff. You know, when I bought the place, my ac-

countants looked the books over, and I never bothered to.

Mr. Walsh. Other than the importation of books from the International Book Company, does the corporation do anything else for this principal? Does it purchase any material in this country for transmission back to Moscow?

Mr. Ushakoff. Yes.

Mr. Walsh. What type of work does it do?

Mr. Ushakoff. Well, from time to time they send us order, to buy certain books.

Mr. Walsh. What type of books? Mr. Ushakoff. Magazines.

Mr. Walsh. Technical magazines?

Mr. Ushakoff. Sometimes. Sometimes technical magazines. It

Mr. Walsh. And do you also purchase documents printed by the Government Printing Office for them?

Mr. Ushakoff. No.

Mr. Walsh. Have you ever?

Mr. Ushakoff. No.

Mr. Walsh. Has the Four Continent Book Corporation ever done that, that you know of?

Mr. Ushakoff. No.

Mr. Walsh. Did they do that when you were employed by them?

Mr. Ushakoff. No.

Mr. Walsh. Mr. Chairman, speaking of the Four Continent Book Corporation, of which Mr. Ushakoff is now president, during the committee's investigation into the importation and dissemination of Communist propaganda material, the staff reviewed statements required under the Foreign Registration Act which had been filed with the Department of Justice from January 1945 to January 1, 1962, and these statements reflect that, from January 1945, the Four Continent Book Corporation has expended in excess of \$6½ million engaging in activities on behalf of the Soviet Union, which have been described by J. Edgar Hoover as "legal espionage."

Mr. Needleman. Is this to make a headline? You have had a

witness here?

Mr. Tuck. You will be silent.

Mr. Needleman. I don't think this is proper.

Mr. Tuck. We are not concerned with what you think.

Mr. Needleman. You are trying to slander his business, and I won't permit it. That is for the headlines.

Mr. Johansen. I do not want to hear that remark from the attor-

ney again.

Mr. Needleman. This has no place here, and you know it.

Mr. Johansen. I do not want to hear any more remarks from this witness about making headlines.

Mr. Needleman. This witness has answered every question.

Mr. Tuck. I have given the order, and you have repeatedly, over and over again, violated what you well know to be the rules and the procedures of this committee.

Mr. Needleman. It was not deliberate, Mr. Tuck, but I just could

not see that happen.

Mr. Tuck. You are out of order.

Mr. Needleman. I just could not see that happen, when my client has——

Mr. Tuck. I said that you are out of order.

Mr. Walsh. And also through the information that this committee has in its possession, the U.S.S.R., from 1945 to 1956 practically duplicated the American patent system by purchasing individual patents at the rate of 25 cents each. They have also purchased maps

of our harbors and our airfields.

In other words, they have purchased most of the books, pamphlets, and other printed material and technical material which describes in minute detail everything about America that has been reduced to print. The Soviet has thus been able to do this legally, while at the same time the United States is denied the same knowledge of the Soviet, because of their Iron Curtain relationship toward America

and the rest of the free world.

The further review of the registration statements of Four Continent Book Corporation discloses that from January 1949 until January 1962, Four Continent Book Corporation has sold Soviet-published booklets in the amount of \$1,800,000. And from these two operations, namely, the purchase of the pamphlets, the technical knowledge contained in magazines, and, also, the sale of pamphlets received from the Soviet Union, the Four Continent Book Company has received commissions of \$1½ million.

Now when you became president in 1960, according to the registration statement, the amount reported by you for the entire year of 1960 was \$9,000, and this figure was raised to \$35,000 in 1961. Did you change your bookkeeping system and just report that in 1960 you received \$9,000?

(Witness conferred with counsel.)

Mr. Ushakoff. I don't understand a little bit what you are

regarding to.

Mr. Walsh. Well, according to the review of the registration statements made going back to 1946, it discloses that up to and including July of 1959, the Four Continent Book Corporation reported nearly a half million dollars expended annually for the purchase, from American sources, of books, periodicals, and magazines for shipment to the Soviet Union.

Now when you became president, the amount that you reported

for the entire year was \$9,000.

Will you explain that to the committee? Why there was such a decrease in the amount of money that you reported?

Mr. Ushakoff. We reported what we had. And I could not

report anything else.

Mr. Walsh. Well, this amount that you report, are these merely commissions, or was it the gross amount that you received from the Soviet Union?

Mr. Ushakoff. This is gross.

Mr. Walsh. Gross. It does not represent merely commissions?

Mr. Ushakoff. No.

Mr. Walsh. And the same answer, I presume, applies for 1961, in which you stated that you received \$35,000 from the Soviet Union? Is that correct?

Mr. Ushakoff. Yes; it is my statement.

Mr. Walsh. Now after that sharp decrease in the amount of money that the Soviet Union asked the Four Continent to purchase these various magazines, do you know of any other corporation or firm or individual that has now been commissioned by the Soviet Union to purchase this same material which you previously had purchased—the Four Continent Book Corporation?

Mr. Ushakoff. I really don't know.

Mr. Walsh. Did you ever ask the Commercial Counselor of the Soviet Union why this business was taken away from you?

Mr. Ushakoff. I did not. The action was taken before, you know, before.

Mr. Johansen. Did you have knowledge that it had been taken awav?

Mr. Ushakoff. No.

Mr. Johansen. When you purchased the stock, did you have knowledge of this business volume and dollar volume?

Mr. Ushakoff. Yes.

Mr. Johansen. Now let us pursue that, Mr. Counsel.

Mr. Ushakoff. You know, I look at the entire amount, but I

didn't analyze the business.

Mr. Johansen. Well, my question was. Did you have knowledge of the dollar volume of business with the Soviet Union, either, on the one hand, through sale of publications by your firm to them, or by the procurement of materials and publications by your firm for them?

Mr. Ushakoff. When I took the business, I only was interested in the total amount of the turnover, that is all.

Mr. Johansen. Interested in what?

Mr. Ushakoff. In the entire amount of the turnover of the business.

Mr. Johansen. Well, did-

Mr. Ushakoff. I didn't analyze the statement. Mr. Johansen. Well, did your knowledge—you say you were interested in the total amount of turnover.

Mr. Ushakoff. Yes.

Mr. Johansen. Did the information that you secured respecting that total amount of turnover indicate figures of the order that counsel has cited? Figures in the amount that the counsel has cited?

(Witness conferred with counsel.) Mr. Ushakoff. I didn't itemize that.

Mr. Johansen. I did not ask you if you itemized them, but were you familiar with the total?

Mr. Ushakoff. The total, yes; I was familiar with the total.

Mr. Johansen. And were you familiar with totals of the amounts, as large amounts as the counsel has cited?

(Witness conferred with counsel.)

Mr. Ushakoff. Yes, I knew. That was a drop in the business.

Mr. Walsh. That was what?

Mr. Ushakoff. A drop in the business. Yes.

Mr. Walsh. Did you know how much Mr. Markoff had paid for his stock?

Mr. Ushakoff. No, I didn't.

Mr. Walsh. How did you arrive at the figure of \$10,000 for his 17 shares?

Mr. Ushakoff. Because he wanted more.

Mr. Walsh. How did you arrive at the amount of \$5,000 for 7 shares?

Mr. Ushakoff. Well, I considered that it would not be possible to

pay less, and I gave to Mr. Moskowitz to stay on this amount.

Mr. Walsh. Well, prior to January of 1958, the Four Continent in its Registration statements reported the value of printed material imported into the United States. This figure was broken down to reflect the commission retained by the Four Continent. As an example, for the period of January to July 1957, there was imported printed material valued at \$112,000, and the Four Continent Book received as a commission \$45,000. What was the percentage which you received there? Was that the 60 percent?

Mr. Ushakoff. Well, it was in 1959.

Mr. Walsh. When did you say that the discount was increased?

Mr. Ushakoff. Increased in 1960.

Mr. Walsh. That was the contract which you have given us, Exhibit No. 5.

Mr. Ushakoff. That is right.

Mr. Walsh. And then in the period from July to December 1957, there was imported \$66,000 worth of printed material by the Four Continent, and they retained as commission \$26,000.

Since 1958, and including the return filed on February 1, 1962, only one figure is shown. As an example, from July 1961 to December 31st of 1961, you report payment of \$37,965.44. What does that figure represent? Your commission?

(Witness conferred with counsel.) Mr. Ushakoff. What year?

Mr. Walsh. From July of 1961 to December 31, 1961, you report a payment of \$37,965.44. Now I ask you what does that figure represent?

Mr. Ushakoff. It represents payments for the merchandise.

Mr. Walsh. It doesn't represent your commissions?

Mr. Ushakoff. I buy the books on the basis of 70 percent discount. Mr. Walsh. And that is the amount that you paid for the books that you imported?

Mr. Ushakoff. That is right.

Mr. Walsh. Thirty percent of the value of the books?

Mr. Ushakoff. That is right.

Mr. Walsh. And that is what this \$37,000 represents, 30 percent?

Mr. Ushakoff. That is right.

Mr. Walsh. So if you reported the gross, you would report over \$100,000?

Mr. Ushakoff. That is right.

Mr. Walsh. Do you ever receive booklets from the International Book Company or any other Soviet agency on consignment?

Mr. Ushakoff. No.

Mr. Walsh. Do you ever receive it on an order basis?

Mr. Ushakoff. No, only an order business.

Mr. Walsh. Only an order business?

Mr. Ushakoff. Yes.

Mr. Walsh. How do you know what to order from the International

Book Company of Moscow?

Mr. Ushakoff. Well, International Book issues catalogues. monthly catalogues. From this catalogue, I pick out what I consider is good, and I-

Mr. Walsh. Would you define the word "good"?

Mr. Ushakoff. Define—for instance, the best thing for this market is Russian classical literature, then scientific books and mathematics, physics, et cetera, Russian—

Mr. Walsh. No propaganda?

Mr. Ushakoff. Propaganda is—it depends what you call "propa-

ganda."

Mr. Walsh. Well, I don't think that you and I would agree, but, in any event, would you tell the committee now what labeling process or practices are followed by the Four Continent Book Corporation on the books that you import from Russia?

Mr. Ushakoff. Well, we put the label into the book. That is— Mr. Walsh. Do you put the label in every book that you import? Mr. Ushakoff. When we ship to customers, we put the label.

Mr. Walsh. Do you also label the booklets that you sell in your store?

Mr. Ushakoff. Well, when the books are sold in the store, we don't put the label.

Mr. Walsh. How about the books delivered in New York City? Do you put the label in those, too?

Mr. Ushakoff. Well, we do.

(Witness conferred with counsel.)

Mr. Ushakoff. You mean when a customer comes to the store?

Mr. Walsh. You have answered that question. Now I am asking you whether or not you also put the label in books that you sell to individuals within the State of New York. Not out of the store.

(Witness conferred with counsel.)

Mr. USHAKOFF. In the store, we don't put the label.

Mr. Walsh. And do you put the label in books that you sell to individuals throughout the State of New York?

Mr. Ushakoff. Yes.

Mr. Walsh. Such as the Jefferson Book Shop?

Mr. Ushakoff. Yes.

Mr. Walsh. You put the label on?

Mr. Ushakoff. Yes.

Mr. Walsh. Now do you ever import any books from the Foreign Languages Publishing Company, Moscow, through your principal, which is the International Book Company of Moscow?

Mr. Ushakoff. The only supplier is Mezhdunarodnaya Kniga.

Mr. Walsh. Do they, in turn, purchase from the Foreign Languages Publishing Company in Moscow, and then send them through the International Book Company?

Mr. Ushakoff. This I don't know.

Mr. Walsh. Well, isn't it a fact that all of the books in the English language that are imported into this country are published by the Foreign Languages Publishing House?

Mr. Ushakoff. According to the stamp in every book, that I can judge, that is stamped, these were published by this organization.

Mr. Walsh. Foreign Languages Publishing House?

Mr. Ushakoff. Yes.

Mr. Walsh. They are. And then you, in turn, receive them through the International Book Company? And you pay the International Book Company for these books that you receive and they are published in Moscow by the Foreign Languages Publishing House?

Mr. Ushakoff. We are connected only with one organization.

Mr. Walsh. But they act as your agent in Moscow? Mr. Ushakoff. This I don't know. I place the order to them, and I get the books from them.

(Witness conferred with counsel.)

Mr. Walsh. Well, don't you ever see any books that you receive from the International Book Company that the publisher is the Foreign Languages Publishing House, Moscow?

Mr. Ushakoff. Well-

(Witness conferred with counsel.)

Mr. Ushakoff. Well, the only organization I deal with is M.K. (Mezhdunarodnaya Kniga).

Mr. Walsh. But they act as your agent, if you want books?

Mr. Ushakoff. I buy books from them.

Mr. Walsh. You don't care where they get the books?

Mr. Ushakoff. That is not my business.

Mr. Walsh. You also sell subscriptions to Soviet-published magazines and periodicals, such as the New Times, do you not?

Mr. Ushakoff. Yes.

Mr. Walsh. Now are these publications prepared for mailing by the Four Continent Book Corporation? Or are they prepared for mailing by the International Book Company of Moscow?

(Witness conferred with counsel.)

Mr. Ushakoff. No, they send material directly to subscribers.

Mr. Walsh. And do you know at the time that you get these subscriptions that the Foreign Agents Registration label is not put on the books that go directly to the subscriber?

Mr. Ushakoff. This I don't know.

Mr. Walsh. Is that the reason why you send the subscriptions

directly to the International Book Company?

Mr. Ushakoff. No, because, you know, to handle these small subscriptions here, you know, too expensive; and we prefer the material to be handled over there, and shipped directly to subscribers.

Mr. Walsh. It would not be for the purpose of evading the law—

that you need not label?

Mr. Ushakoff. No.

Mr. Walsh. You are sure of that?

Mr. Ushakoff. Absolutely.

Mr. Walsh. I have no further questions of this witness.

Mr. Tuck. Questions by the committee?

Mr. Johansen. Just one question, to refresh my own memory.

What was the amount that you borrowed from the Commercial

Mr. Ushakoff. Five thousand five hundred. Mr. Walsh. And that was without interest?

Mr. Ushakoff. Without interest and paid in, you know, in a

couple of months, about 5 or 6 months; I don't remember.

Mr. Johansen. And was the reason for your securing that loan from that source primarily because you were doing business with the Soviet Embassy?

Mr. Ushakoff. No, I don't do any business with Soviet Embassy. Mr. Johansen. Or was it because you were doing business with a

Mr. Ushakoff. Well, when we moved the business from one place to another, it required a lot of money, and at that time, I was, you know, short of cash, and I asked them to assist me a little bit, and they did. I opened the business and I paid it back.

Mr. Johansen. Well, you are an American citizen? Mr. Ushakoff. Yes. Mr. Johansen. Well, it strikes me as a little unusual arrangement for an American citizen to make.

I have no further questions.

Mr. Tuck. Mr. Bruce.

Mr. Bruce. You came to the United States in September of 1941. Is that correct?

Mr. Ushakoff. That is right.

Mr. Bruce. Could you tell me something about your educational background?

Mr. Ushakoff. Well, the last time, I came—

(Witness conferred with counsel.)

Mr. Ushakoff. The very first? The very first, I came in 1935 for a short visit, then I came again in 1939, and then the last time, I came in 1941.

Mr. Bruce. That is when you established residence?

Mr. Ushakoff. That is right.

Mr. Bruce. Can you tell me something about your educational background in the Soviet Union before you came here?

Mr. Ushakoff. In the Soviet Union, in fact, I have never been in there. I left Russia when I was, well, some under 20. I finished high school, and then I went to China.

Mr. Bruce. Are you, in fact, the actual manager of the Four

Continent Book Corporation?

Mr. Ushakoff. Well, I am actually owner of Four Continent Book

Corporation.

Mr. Bruce. And all the decisions that are made in the operations of your business are your decisions?

Mr. Ushakoff. Absolutely.

Mr. Bruce. You have never considered yourself to be under the direction of a foreign power?

Mr. Ushakoff. That is absolutely out of the question.

Mr. Bruce. Didn't it strike you as odd that a representative of a foreign power would advance you a sum of money in excess of \$5,000

without interest?

Mr. Ushakoff. Well, let's put this question this way: I buy the books on credit. In order to pay, you know, debts, we have to do the business. Well, in this specific case, you know, I felt a little bit hard up, and I said, "Well, if you want to be paid in time, help me out, you know, temporary," for \$5,000 and they did, and I paid it back, and I didn't—it is no secret, I told it openly in my statement. That is all.

Mr. Bruce. You signed a note for the \$5,000?

Mr. Ushakoff. Yes, I did. Mr. Johansen. Had you made any previous effort to secure the

loan from any other source?

Mr. Ushakoff. No, never. And I paid for my business from my own account, which is in existence maybe between 15 or 20 years, by check, to one person \$10,000, to another, \$5,000, and never applied for any loan; but in this specific case, because of moving from one place to another, I had to do it.

Mr. Johansen. Is this the only loan that you secured from that

source?

Mr. Ushakoff. The only.

Mr. Tuck. Any further questions, Mr. Bruce?

Mr. Bruce. No.

Mr. Tuck. The witness will stand aside.

Are you through with him?

Mr. Walsh. Yes, sir.

Mr. Tuck. You may be excused.

Call the next witness. (Witness excused.)

Mr. Walsh. Margaret Cowl, C-o-w-l.

Mr. Tuck. Would you stand and raise your right hand, please? Do you solemnly swear the testimony you are about to give before this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mrs. Cowl. I do.

Mr. Tuck. You may be seated.

TESTIMONY OF MARGARET COWL, ACCOMPANIED BY COUNSEL, DAVID M. FREEDMAN

Mr. Walsh. What is your full name, if you please?

Mrs. Cowl. Mrs. Margaret Cowl.

Mr. Walsh. And you are president of the Imported Publications and Products?

Mrs. Cowl. I am not. I am not president.

Mr. Walsh. What are you? Mrs. Cowl. The owner.

Mr. Walsh. Would counsel identify himself, please?

Mr. Freedman, F-r-e-e-d-m-a-n, 320 Broad-

way, New York City.

Mr. Walsh. Now Mrs. Cowl, you were served with a subpena duces tecum to produce certain documents to this committee. I presume that you have read the subpena over?

Mrs. Cowl. Yes.

Mr. Walsh. And do you have with you copies of all contracts or agreements between Imported Publications and Products and any individual, firm, corporation or government, domestic or foreign, relating to the importation for sale or dissemination of books, magazines, periodicals, or pamphlets?

Mrs. Cowl. I have no written contracts and agreements with any

foreign power, but there were letters of correspondence.

Mr. Walsh. Would they be in the form of a contract?

Mrs. Cowl. Well, I have a copy with me here of a very recent letter of correspondence made with a foreign principal, and, on the advice of my lawyer, I made a photostatic copy, and I will give it to you if you want it.

(Document handed to counsel.)

Mr. Walsh. Thank you very much.

Mrs. Cowl. I want to say that any of these letters of correspondence that I may have had in the past are all filed with the Foreign Agents Registration section, either in their original form or in photostat.

Mr. Walsh. Yes. Have you got any copies of any contracts or agreements between the Imported Publications and Products with any individual, firm, or corporation relating to the sale and delivery of books, magazines, periodicals, pamphlets, imported from foreign organizations or establishment, or received from an individual firm or corporation registered under the Foreign Agents Registration Act?

Mrs. Cowl. No. I have no such contracts or agreements. All my work are just ordinary business sales, to whoever I have contact with.

Mr. Walsh. Well, do you sell in bulk quantity to bookstores the publications which are imported by you from any foreign government?

Mrs. Cowl. No, I do not. Maybe occasionally I do. At the present time, I don't sell anything in bulk, I only take subscription orders for magazines of cultural, scientific, and current events nature, and very, very few are what you would term political.

Mr. Walsh. And for whom do you take these subscriptions? Mrs. Cowl. I take them for a variety of people, including university libraries, members of the faculty of universities, Government departments, including the Army, Navy, and the Air Force, and people in all walks of life.

Mr. Walsh. And what are these subscriptions for?

Mrs. Cowl. Well, I already stated they are for—you mean the subject? What subject do they cover?

Mr. Walsh. Who are the publishers of these magazines? Who

prints them? Who disseminates them?

Mrs. Cowl. Mezhdunarodnaya Kniga. I order them from Mezhdunarodnaya Kniga and from Guozi Shudian, Peoples' Republic.

Mr. Walsh. Now, Mrs. Cowl, for the purpose of identification, have you ever been known by the name of Margaret Undjus, U-n-d-j-u-s?

Mrs. Cowl. Yes, that was my married name.

Mr. Walsh. What year was that, if I may be bold enough to ask?

Mrs. Cowl. I was married first in 1915. Mr. Walsh. And where did you live then? Mrs. Cowl. Brooklyn—Brooklyn, New York.

Mr. Walsh. Did you ever live outside the United States?

Mrs. Cowl. I didn't live outside the United States, but I was outside the United States.

Mr. Walsh. Where were you outside the United States?

Mrs. Cowl. In the Soviet Union.

Mr. Walsh. Where?

Mrs. Cowl. Soviet Union. Mr. Walsh. What years?

Mrs. Cowl. 1928, 1929, 1930, 1931.

I was also in China for a few months in 1931.

Mr. Walsh. Were you married and using the name of Margaret Undjus at that time when you were in China?

Mrs. Cowl. Well, I was married, but I was already divorced, but

I still was using that name.

Mr. Walsh. Well, that was my question. You did use this name Margaret U-n-d-j-u-s, when you were in China and, also, in the Soviet Union?

Mrs. Cowl. Yes.

Mr. Walsh. Now did you also use the name Margaret Kling, K-l-i-n-g?

(Witness conferred with counsel.)

Mrs. Cowl. I don't use the name, but that name was on the apartment lease for a few months, which was changed to my regular name then.

Mr. Walsh. What was your regular name then?

Mrs. Cowl. Mrs. Krumbein. Mr. Walsh. Mrs. Krumbein? Mrs. Cowl. Married name.

Mr. Walsh. And what was your husband's full name?

Mrs. Cowl. Mr. Charles Krumbein.

Mr. Walsh. Did you know whether or not he was or was not the treasurer of the Communist Party of the United States?

Mrs. Cowl. I cannot answer that.

Mr. Johansen. What was the answer to that?

Mr. Walsh. Cannot answer.

Is there any reason why you cannot answer that question, Mrs. Cowl? (Witness conferred with counsel.)

Mrs. Cowl. My husband is dead 15 years, and I cannot testify about a husband.

Mr. Walsh. Now have you operated the Imported Publications and Products since 1950?

Mrs. Cowl. Yes.

Mr. Walsh. I want to show you Exhibit 1, short-form registration statement, which was filed June the 4th, 1958.

Have you answered all of the questions on that truthfully?

call your attention specifically to question No. 5, on page 2.

(Document handed to witness.) (Witness conferred with counsel.)

Mr. Walsh. On page 2.

Mr. Freedman. Yes, I want to get the date of this. Mr. Walsh. That, as I understand it, was June 4, 1958.

Mrs. Cowl. Yes, that is true. Mr. Walsh. So as of June the 4th, 1958, you were not a member of any organization?

(Witness conferred with counsel.) Mrs. Cowl. I decline to answer.

Mr. Walsh. Mrs. Cowl, will you confer with counsel, because it is necessary for this committee to know the reasons why you fail to answer this question. It must be on constitutional ground.

(Witness conferred with counsel.)

Mrs. Cowl. I do not answer on the ground that I will not testify against myself.

Mr. Walsh. That, in other words, as your counsel may advise

you, is what amendment?

Mr. Freedman. It is the fifth amendment.

Mrs. Cowl. It is the fifth amendment.

Mr. Walsh. And that is the basis upon which you refuse to answer this question?

Mrs. Cowl. Yes.

(Document marked "Cowl Exhibit No. 1" and retained in com-

Mr. Walsh. Now during the last 5 years, have you shipped, in bulk, publications which were received by you from the International Book Company in Moscow during the past 5 years?

Mrs. Cowl. Have I shipped them to where?

Mr. Walsh. Shipped to any place in the United States in bulk?

Mrs. Cowl. Yes, that would be—5 years ago, yes. Mr. Walsh. Well, during that period, the last 5 years.

Mrs. Cowl. Not for the entire 5 years, but for part of that time. Mr. Walsh. During the part that you did ship, would you tell the committee to whom you shipped these pamphlets which you received

from the International Book Company in Moscow in bulk quantity? Mrs. Cowl. Yes, they were bookstores, I don't remember them all,

but I remember some of them.

Mr. Walsh. Well, for instance, if I read you some of them, would this refresh your recollection?

The International Book Shop, San Francisco, California?

Mrs. Cowl. Yes.

Mr. Walsh. How about the Znanie Book Shop, in San Francisco, California?

Mrs. Cowl. I don't remember such a bookshop.

Mr. Walsh. Progressive Books, Los Angeles, California?

Mrs. Cowl. Yes.

Mr. Walsh. And the Free Press and Publications in Cleveland, Ohio?

Mrs. Cowl. I don't—

Mr. Walsh. Well, did you ever ship them? Mrs. Cowl. Yes, I am not sure——

Mr. Walsh. You have shipped to them on occasions in bulk quantities?

Mrs. Cowl. Small quantities.

Mr. Walsh. Modern Book Store, in Chicago?

Mrs. Cowl. Yes.

Mr. Walsh. And Paul Romaine, Chicago?

Mrs. Cowl. Small quantities, yes.

Mr. Walsh. How about the Vilnis Book Shop in Chicago? Mrs. Cowl. Small quantities, yes.

Mr. Walsh. What do you mean by "small" quantity?

Mrs. Cowl. Oh, a few hundred over a period of a year or something. It is not much.

Mr. Walsh. And Dolgich, D-o-l-g-i-c-h, in Chicago? Mrs. Cowl. I don't remember that name at all.

Mr. Walsh. How about Schoenhof's Book Shop, in Cambridge, Massachusetts?

Mrs. Cowl. I don't remember that name.

Mr. Walsh. Berenson, B-e-r-e-n-s-o-n, Detroit?

Mrs. Cowl. I don't remember that name. Mr. Walsh. The Global Books in Detroit?

Mrs. Cowl. I think once I did.

Mr. Walsh. How about Victor Kamkin, in Washington, D.C.? Mrs. Cowl. Oh, that was more than 5 years ago, we did ship to him.

Mr. Walsh. But you used to ship to him?

Mrs. Cowl. Yes.

Mr. Walsh. How about the Jefferson Book Shop in New York City?

Mrs. Cowl. Yes.

Mr. Walsh. In bulk?

Mrs. Cowl. Yes.

Mr. Walsh. How much would that business amount to?

(Witness conferred with counsel.)

Mrs. Cowl. I really don't remember the figure. Do you want me to guess?

Mr. Walsh. Well, if you could approximate it. But I don't want

you to say anything that you are not pretty sure of.

Mrs. Cowl. I am awfully afraid to name a figure. It was not in thousands, it was just hundreds of dollars a year.

Mr. Walsh. And how about the Universal Distributors in New York City?

Mrs. Cowl. No.

Mr. Walsh. How about the World Books, 747 Broadway, New York?

Mrs. Cowl. I think I sold them about \$50 worth of books.

Mr. Walsh. When?

Mrs. Cowl. Oh, I think a little over a year ago, something like that. Mr. Walsh. Do you know the proprietor of that establishment?

(Witness conferred with counsel.)

Mrs. Cowl. Well, who is he, and I will tell you whether I know him or not?

Mr. Walsh. Philip Frankfeld? Mrs. Cowl. That is the proprietor? (Witness conferred with counsel.)

Mrs. Cowl. Yes, I know him. He bought books from me.

Mr. Walsh. Did you know him in any other capacity?

(Witness conferred with counsel.)

Mrs. Cowl. I will not answer that question.

Mr. Walsh. On what ground, please? (Witness conferred with counsel.)

Mrs. Cowl. That I will not testify against myself.

Mr. Walsh. On the fifth amendment, is that what you are saying?

Mrs. Cowl. Yes. Mr. Walsh. That is what you intend to say?

Mrs. Cowl. Yes.

Mr. Walsh. After the receipt of these publications from the International Book Company in Moscow, did you affix the Foreign Agents Registration label in these publications before you sent them out in bulk?

Mrs. Cowl. Books or publications, which? Mr. Walsh. Either, books or publications?

Mrs. Cowl. Well-

(Witness conferred with counsel.)

Mrs. Cowl. Yes; I did, to the books called for to be labeled, and books are called for to be legally labeled.

Mr. Walsh. And did you also put the label on for books that were delivered to your clients in the New York area?

(Witness conferred with counsel.)

Mrs. Cowl. Yes.

Mr. Walsh. You did?

(Witness conferred with counsel.)

Mrs. Cowl. Yes; with the package we did.

Mr. Walsh. In other words, the whole package in bulk, then you would put the Foreign Agents Registration label on the package?

Mrs. Cowl. Inside the package.

Mr. Walsh. But you would not put them on each individual book?

Mrs. Cowl. On some of them we did.

Mr. Walsh. Well, would you give us the norm or standard or criteria by which you would judge for yourself whether you would or would not put the label of a foreign registration on the books?

(Witness conferred with counsel.)

Mrs. Cowl. Some of the periodicals and books are labeled as they come in.

Mr. Walsh. As they come in from where?

Mrs. Cowl. From abroad.

Mr. Walsh. From Moscow, from the International Book Company?

Mrs. Cowl. Yes, and then some of them are not labeled and, generally, I have to—

Mr. Walsh. That has been your practice? Mrs. Cowl. That has been my policy; yes.

Mr. Walsh. Now you were the registered agent of the International Book Company. Is that correct?

(Witness conferred with counsel.)

Mrs. Cowl. Of Mezhdunarodnaya Kniga.

Mr. Walsh. Well, I cannot pronounce those names.

Mrs. Cowl. Mezhdunarodnaya Kniga.

Mr. Walsh. Mezhdunarodnaya Kniga, thank you. And were you also the registered agent of Guozi Shudian, S-h-u-d-i-a-n, 38 S-u-c-h-o-w, H-a-t-u-n-g, Peking, China?

Mrs. Cowl. Yes.

Mr. Walsh. And the China Welfare Institute of Shanghai?

Mrs. Cowl. That is right.

Mr. Walsh. And also, RUCH, Warsaw?

(Witness conferred with counsel.)

Mrs. Cowl. Yes.

Mr. Walsh. You have?

Mrs. Cowl. Yes.

Mr. Walsh. And for how long a period?

Mrs. Cowl. That is what I gave you the letter of correspondence on. Mr. Walsh. Well, that is the last one I just read, is it? R-U-C-H?

Mr. Freedman. Yes; that is it.

Mr. Walsh. Now in this statement, Exhibit No. 2, filed January the 12th, 1962, do you say that you have discontinued direct distribution of periodicals and are now limited to taking subscriptions which are sent to subscribers directly from the publishers? Is that your business at the present time?

Mrs. Cowl. Yes. Yes; I take orders for subscriptions from people in the United States and I process them, and the copy is sent

to the subscriber directly from abroad, with the label.

Mr. Walsh. Now in Exhibit No. 2, on page 4, there is an item which reads: "All amounts received during the period from other sources to be used directly or indirectly for or in the interests of any foreign principal named under item 6, itemized as follows:" and then you say in July of 1961, from Mezhdunarodnaya Kniga, you received \$200, and that is for taking inventory of merchandise held on consignment. Is that correct?

And I show you this exhibit and ask you to look at it.

(Document handed to witness.) (Witness conferred with counsel.) Mrs. Cowl. Yes; that is true.

(Document marked "Cowl Exhibit No. 2" and retained in com-

mittee files.)

Mr. Walsh. As of that date, July of 1961, did you ever receive any communication from Moscow that ordered you to take an inventory of books that you held from the International Book Company of

(Witness conferred with counsel.)

Mrs. Cowl. No I received no such communication.

Mr. Walsh. Why did you receive \$200 to take an inventory of merchandise held on consignment, as you have stated in this registration statement?

Mrs. Cowl. Well, the books that I had on consignment, many of them were out of date, and I wanted to destroy them and I had to prove to them what I was doing, so I had to take inventory, and to pay people to take the inventory.

Mr. Walsh. Now did you destroy all these books which you say

were outdated?

Mrs. Cowl. Yes.

Mr. Walsh. In other words, after you took the inventory and destroyed the books, you had more inventory on consignment from Mezhdunarodnaya Kniga, right?

Mrs. Cowl. No. I don't understand that question.

Mr. Walsh. I will withdraw the question and rephrase it, if I may. After you were paid \$200 to take this inventory, you stated to this committee that these books were outdated and, therefore, you destroyed them.

Mrs. Cowl. That is right.

Mr. Walsh. Did you have any correspondence by which you told your principal, the International Book Company, that you had made the inventory and "This is the inventory and what will I do with it?"

Mrs. Cowl. Yes; I did correspond with the Mezhdunarodnaya Kniga in Moscow and gave them an itemized statement of the inven-

tory taken and the books that were burnt.

Mr. Walsh. And did you have any other books that were not burned from this International Book Company on consignment?

(Witness conferred with counsel.)

Mrs. Cowl. Yes, I did have other books.

Mr. Walsh. And what did you do with those? Did you sell them

to anybody?

Mrs. Cowl. No, I had—they were not—they were on consignment and didn't belong to me. I either had to dispose of them in the way I was ordered by the shipper or pay for them.

Mr. Walsh. Well, how did they order you to dispose of them?

(Witness conferred with counsel.)

Mrs. Cowl. They ordered me to transfer them to their agency, another agency.

Mr. Walsh. Which other agency?
Mrs. Cowl. The Four Continent Book Corporation.
Mr. Walsh. The Four Continent Book Corporation?
Mrs. Cowl. Yes.

Mr. Walsh. When did you transfer these books to the Four Continent Book Corporation?

(Witness conferred with counsel.)

Mrs. Cowl. Well, approximately, it is when I moved the business. Mr. Walsh. And when was that?

Mrs. Cowl. About a year ago.

Mr. Walsh. That would be in 1961?

Mrs. Cowl. Yes. Mr. Walsh. Was it around July of 1961?

(Witness conferred with counsel.)

Mrs. Cowl. Approximately. I cannot remember the exact date. Mr. Walsh. Now these books that you transferred to the Four Continent Book Corporation, did you just transfer them over there on orders from Moscow or were you paid for them, or did you give them to them on orders from Moscow on consignment?

Do you understand the question?

Mrs. Cowl. Yes.

(Witness conferred with counsel.)

Mrs. Cowl. I got a credit memo for these books, so I didn't have to pay the shipper, and was instructed to turn them over, and they were turned over.

Mr. Walsh. Thank you, Mrs. Cowl.

I have no further questions.

Mr. Johansen. When you say you were instructed to destroy certain books that were outdated, what do you mean by "outdated"? Under what circumstances or why would they be outdated?

Mrs. Cowl. Well, there are certain subjects of a scientific nature

that are already too old to be sold.

Mr. Johansen. These were science books?

Mrs. Cowl. Most of them were, yes. You know, science develops, grows, and old books are not salable any more.

Mr. Johansen. These were not propaganda books that were out-

dated because the official line had been changed?

Mrs. Cowl. I don't remember all the titles, but I know that an awful lot of them were scientific books. There may have been one or two items that were not scientific, I don't remember. They were mostly that. I do remember they were mostly old science books that people would not buy any more.

Mr. Johansen. Well, then, your answer to my question is that it was not because they were propaganda materials that were outdated?

Mrs. Cowl. No, I would say no; because the great majority was of what I said.

(Witness conferred with counsel.)

Mr. Tuck. Mr. Bruce?

Mr. Bruce. No; I have no questions. Mr. Tuck. You may stand aside.

Is she excused, Mr. Walsh?

Mr. Walsh. Yes, sir.

Mr. Tuck. You may be excused.

(Witness excused.)

Mr. Walsh. Mr. Philip Frankfeld.

Mr. Tuck. Will you please stand and raise your right hand? Do you solemnly swear the testimony you are about to give in this case will be the truth, the whole truth, and nothing but the truth,

so help you God?

Mr. Frankfeld. I do.

TESTIMONY OF PHILIP FRANKFELD, ACCOMPANIED BY COUNSEL, DAVID M. FREEDMAN

Mr. Walsh. Mr. Frankfeld, will you give the committee your full name?

Mr. Frankfeld. Philip Frankfeld. Mr. Walsh. And where do you live? Mr. Frankfeld. 202 Riverside Drive.

Mr. Walsh. And would you be kind enough to identify yourself, Mr. Counsel?

Mr. Freedman. David M. Freedman, 320 Broadway, New York

City.

Mr. Walsh. Now, Mr. Frankfeld, I show you, and I ask this be marked Frankfeld Exhibit No. 1 for reference, and ask you whether or not this is the business certificate which you filed with the County Clerk in New York City to do business under the name of World Books at 747 Broadway?

(Document handed to witness.)

Mr. Frankfeld. Yes, sir.

Mr. Walsh. Thank you. And this was filed the 16th day of June 1961?

Mr. Frankfeld. That is right.

(Document marked "Frankfeld Exhibit No. 1" and retained in

committee files.)

Mr. Walsh. Now you were served with a subpena to appear before this committee and bring with you certain documents. Is that correct?

Mr. Frankfeld. That is correct.

Mr. Walsh. Have you read the subpena over carefully and are you prepared to produce the documents called for in the subpena?

Mr. Frankfeld. Yes, sir. But on advice of counsel, I have

photostats made, and they are here.

Mr. Walsh. That is perfectly satisfactory to the committee.

May I have this registration statement filed with the Department of Justice September the 29th, 1961. It will be marked Frankfeld Exhibit No. 2 and filed with the committee for purpose of reference.

Mr. Tuck. The document will be so filed and marked.

Mr. Walsh. I show you Exhibit No. 2 and ask you to look at the last page thereof, and I ask you whether or not you have signed that copy and sworn to it before a notary public?

(Document handed to witness.)

Mr. Frankfeld. Yes, sir.

(Document marked "Frankfeld Exhibit No. 2" and retained in committee files.)

Mr. Walsh. Pursuant to the subpena, you have supplied us with

a contract dated September the 5th of 1961.

Now will you tell the committee with whom you had conversations in this country so that you could obtain this contract from the Inter-

national Book Company of Moscow?

Mr. Frankfeld. After being unemployed for a period of 6 months and having had experience working with Four Continent, I thought I knew enough about the book business to decide to go into bookselling. I, therefore, wrote a letter to Mr. Tsapenko.

Mr. Walsh. To whom?

Mr. Frankfeld. Mr. Tsapenko. T-s-a-p-e-n-k-o.

Mr. Walsh. What is his first name? Mr. Frankfeld. I don't know.

Mr. Walsh. Was it Nicholas?

Mr. Frankfeld. I don't know. I know Mr. Tsapenko, that is how I have always addressed him.

Mr. Walsh. Is he here in America?

Mr. Frankfeld. He is here in Washington, D.C.

Mr. Walsh. In what capacity?

Mr. Frankfeld. As representing M.K. That would be much easier to identify.

Mr. Walsh. I think you are right, so from now on, we will call the

International Book Company, M.K.

Mr. Frankfeld. That is right, it will save us a lot of trouble.

Mr. Walsh. Now he represents M.K. in this country?

Mr. Frankfeld. That is right, sir.

Mr. Walsh. It was with him with whom you negotiated this contract?

Mr. Frankfeld. I came and spoke to him either the end of March, early part of April, and told him what my idea was.

Mr. Walsh. And what did you tell him?

Mr. Frankfeld. I told him I was interested in opening a shop that would specialize in the sale and distribution of English translations of Russian or Soviet books—cultural, political, economic, scientific, and technical. In fact, at that time, I said exclusively English translations.

Mr. Walsh. Yes. And you also are listed as the foreign agent for

Guozi Shudian, G-u-o-z-i S-h-u-d-i-a-n, of Peking, China?

Mr. Frankfeld. Under the Foreign Registrations Act.

Mr. Walsh. You have filed that you—

Mr. Frankfeld. I have filed that I represent them. It is a publishing and distribution house in Peking, China.

Mr. Walsh. And this contract is dated June the 15th, 1961?

Mr. Frankfeld. That is right, sir.

Mr. Walsh. May I have these two contracts marked "exhibit No. 3" and filed for reference to the committee.

Mr. Tuck. The document will be so marked and filed with the

records in this proceeding.

(Documents marked "Frankfeld Exhibit No. 3" and retained in committee files.)

Mr. Walsh. Now with whom did you have a conversation—can

we call this G.S.?

Mr. Frankfeld. Good enough by me.

Mr. Walsh. You will understand what I mean?

Mr. Frankfeld. I certainly will.

Mr. Walsh. With whom did you have a conversation when you

received this contract June the 15th, 1961?

Mr. Frankfeld. I just sat down and typed a letter to them, and this is the answer that I received. I proposed that I handle English translations of Chinese scientific, social, historical, political, and economic books and periodicals or publications.

Mr. Walsh. And there is included in the letter from M.K. the discounts which you received: for books, 70 percent; periodicals—retail, 70 percent; periodicals—subscription, 50 percent; and other

publications, 70 percent. Is that correct?

Mr. Frankfeld. That is right.

Mr. Walsh. Now do you have any verbal agreements? I ask you to produce any contracts, copies of all contracts, relating to the sale and the delivery of books and magazines imported from a foreign organization or establishment with any firm or individual or corporation registered under the Foreign Agents Registration Act.

Mr. Frankfeld. No, sir.

Mr. Walsh. You have oral contracts with them?

Mr. Frankfeld. I have not.

Mr. Walsh. Do you have correspondence with them which would indicate that you did have a contract with them?

Mr. Frankfeld. No, sir.

Mr. Walsh. Now I ask you whether or not you have ever supplied books in bulk to the International Book Shop of San Francisco?

Mr. Frankfeld. It all depends what you mean "in bulk." I wish

it were in bulk.

Mr. Walsh. Well, more than one copy, I presume. Mr. Frankfeld. More than one copy, yes, sir.

Mr. Walsh. How many copies would you say is bulk?

Mr. Frankfeld. Oh, hundreds, thousands, but a few dozen is picayune.

Mr. Walsh. And do you say that it is picayune, the amount of books that you sent to the International Book Shop in San Francisco?

Mr. Frankfeld. Small, small.

Mr. Walsh. Now what do you mean by "small," so that we can understand each other?

Mr. Frankfeld. Oh, dozens. Mr. Walsh. Dozens, plural?

Mr. Frankfeld. Yes.

Mr. Walsh. Would that mean a hundred? Mr. Frankfeld. In some instances, a hundred.

Mr. Walsh. In some instances more? Mr. Frankfeld. In some instances less.

Mr. Walsh. When I ask you about these various organizations, will you give an approximation of how many dozens or hundreds of pamphlets you send, and the next is capital Z-n-a-n-i-e Book Shop, California?

Mr. Frankfeld. Never heard of it.

Mr. Walsh. Progressive Books, California?

Mr. Frankfeld. Yes, sir.

Mr. Walsh. And your approximation of how many books or pamphlets you sent to them?

Mr. Frankfeld. Hundreds of dollars. Mr. Walsh. Hundreds of dollars? Mr. Frankfeld. Worth of books.

Mr. Walsh. That includes more than a hundred books? Mr. Frankfeld. In the sum total, not individually; yes. Mr. Walsh. Free Press and Publications, in Cleveland, Ohio?

Mr. Frankfeld. No, sir, never heard of them.

Mr. Walsh. Frontier Books?

Mr. Frankfeld. I will have to take those names down and write to these people. No, sir. Mr. Walsh. The Modern Book Store, in Chicago, Illinois?

Mr. Frankfeld. Yes, sir.

Mr. Walsh. What is your approximation for the Modern Book Store?

Mr. Frankfeld. Well, I would say hundreds of dollars.

Mr. Walsh. How about Paul Romaine, Chicago?

Mr. Frankfeld. Small amounts. Mr. Walsh. In the dozens?

Mr. Frankfeld. Not quite. Mr. Walsh. Vilnis Book Shop, Chicago, Illinois?

Mr. Frankfeld. Never heard of it.

Mr. Walsh. Dolgich Book Shop, Chicago?

Mr. Frankfeld. Excuse me? Mr. Walsh. D-o-l-g-i-c-h?

Mr. Frankfeld. Never heard of it.

Mr. Walsh. Schoenhof's Book Shop, Cambridge, Massachusetts?

Mr. Frankfeld. Never heard of it.

Mr. Walsh. Berenson, B-e-r-e-n-s-o-n Book, Detroit, Michigan?

Mr. Frankfeld. No, sir. Mr. Walsh. Global Books? Mr. Frankfeld. Yes, sir.

Mr. Walsh. What is your approximation of the number of booklets and books that you sent them?

Mr. Frankfeld. Small amounts, sir.

Mr. Walsh. When you say a "small amount," will you give me an approximation? Hundreds of copies, or what?

Mr. Frankfeld. Oh, dozens of copies, I would say.

Mr. Walsh. Do you know who owns Global Books in Detroit, Michigan?

Mr. Frankfeld. I don't know who owns it. I know that I correspond with them.

Mr. Walsh. With whom do you correspond?

Mr. Frankfeld. Mrs. Carl Winter.

Mr. Walsh. Mrs. Carl Winter, W-i-n-t-e-r?

Mr. Frankfeld. That is correct.

Mr. Walsh. Did you know her to be a member of the National Committee of the Communist Party?

Mr. Frankfeld. I don't ask people their political affiliations.

Mr. Walsh. You never heard that she was?

Mr. Frankfeld. As I said, I never ask people their political affiliations.

Mr. Johansen. Well, Mr. Chairman, that is not responsive to the

question.

Mr. Walsh. Whether you asked her or not, did you ever hear, did you ever read, did you ever know her to be?

(Witness conferred with counsel.)

Mr. Frankfeld. I decline to answer that question.

Mr. Walsh. On what ground?

Mr. Frankfeld. On the ground that it is immaterial and also on the ground of fifth amendment.

Mr. Walsh. And on the fifth amendment do you mean that the

answer might tend to incriminate you?

Mr. Frankfeld. I refuse to serve as a witness against myself. Mr. Walsh. How about Victor Kamkin, Washington, D.C.?

Mr. Frankfeld. I have no relations with him at all. Mr. Walsh. Jefferson Book Shop, New York City?

Mr. Frankfeld. Yes, sir.

Mr. Walsh. Were they dozens of copies, or more?

Mr. Frankfeld. Hundreds of copies, there.

Mr. Walsh. How many hundreds?

Mr. Frankfeld. Well, in some of the smaller pieces, on some of the pamphlets, hundreds of copies; and some of the books and titles, dozens.

Mr. Walsh. The Universal Distributors, New York?

Mr. Frankfeld. No, sir.

Mr. Walsh. Do you sell for any other person, other than the principals that you have mentioned in your registration statement?

Mr. Frankfeld. American publishers.

Mr. Walsh. Do you sell for Crosscurrents Press, Inc., too?

Mr. Frankfeld. I have taken some of their titles.

Mr. Walsh. Now I have mentioned a considerable number of bookshops throughout the United States. Are there other bookshops with whom you do business and sell, in bulk, copies that you import from M.K. in Russia?

Mr. Frankfeld. Yes, sir.

Mr. Walsh. Which are they?

Mr. Frankfeld. College and university bookshops and other—

Mr. Walsh. What?

Mr. Frankfeld. College and university bookshops, commercial bookshops. I buy some of the general books on the humanities or on art or on the theater. I have on—for instance, there are a number of bookshops that specialize in psychiatry and psychology, so I sell them books by Professor Pavlov, et cetera.

Mr. Walsh. Now these book companies that I have mentioned to you before, book companies or the shops that sell the books that you send to them, do you know any of the individuals in those which I have just mentioned to you and to which you send material in bulk

to be members of the Communist Party?

Mr. Frankfeld. I have already answered that question, sir.

Mr. Walsh. I only asked you about one, Global Books in Detroit.

Mr. Frankfeld. I decline.

(Witness conferred with counsel.)

Mr. Frankfeld. I decline to answer any questions that will connect me with the Communist Party.

Mr. Walsh. Would you repeat that answer, please?

Mr. Frankfeld. I decline to answer any questions that will identify me with the Communist Party in any way, shape, or manner.

Mr. Walsh. On what grounds? (Witness conferred with counsel.)

Mr. Frankfeld. On the grounds which I raised previously.

Mr. Walsh. What were they?

Mr. Frankfeld. Possible self-incrimination.

Mr. Walsh. Now did you receive from the Crosscurrents Press the Progress of the Communist Party-

Mr. Frankfeld. Program.

Mr. Walsh. The Program of the Communist Party of the Soviet Union?

Mr. Frankfeld. Yes, sir.

Mr. Walsh. How many copies did you receive, do you know? Would it refresh your recollection if I were to mention the number 200?

Mr. Frankfeld. Oh, I got more than that. Mr. Walsh. Approximately how many?

Mr. Frankfeld. I would say about 500 copies.

Mr. Walsh. Five hundred.

Mr. Frankfeld. Yes.

Mr. Walsh. And did the World Books distribute these booklets by any other means than sale in its bookshop or bookstore?

Mr. Frankfeld. Some we sent out, whenever we got orders from

them.

Mr. Walsh. From whom did you receive orders for the Program

of the Communist Party of the Soviet Union?

Mr. Frankfeld. From some of the bookshops that you mentioned, which I have already identified, and then from others who were interested from a sociological point of view in reading the program that was adopted at this 22nd Congress.

Mr. Walsh. And you had been employed by the Four Continent

Book Corporation?

Mr. Frankfeld. Yes, sir.

Mr. Walsh. For how long a period?

Mr. Frankfeld. Roughly from about November of 1956 to June of 1960.

Mr. Walsh. Who interceded for you when you were employed by the Four Continent Book?

Mr. Frankfeld. Nobody, I interceded for myself.

Mr. Walsh. Did you know Mr. Markoff at that time?

Mr. Frankfeld. Never heard of him. Mr. Walsh. You just went in cold?

Mr. Frankfeld. Went in cold, like I went in cold to hundreds of other places during the 6 months of my unemployment.

And by the way, just to——
(Witness conferred with counsel.)

Mr. Walsh. Now I show you this registration which was previously marked Exhibit 2 and filed on September the 29th, 1961. Item 4(a) requests you to name "All clubs, societies, committees, and other nonbusiness organizations, in the United States or elsewhere, of which Registrant is or has been during the past 5 years a member, director, officer, or employee." And you state "Dist. 65, Retail, Wholesale & Dept. Store Union," and that you were a member from January of 1956 and are still a member. Is that correct?

(Document handed to witness.)

Mr. Frankfeld. That is correct, excepting an out-of-industry member.

Mr. Walsh. What is that?

Mr. Frankfeld. Out of industry, since I don't work in a union

shop.

Mr. Walsh. And you also state, "As to any other organizations, registrant declines to answer under protection of the 5th Amendment to U.S. Constitution." Is that correct? And I show again Exhibit No. 2.

(Document handed to witness.)
Mr. Frankfeld. That is correct.

Mr. Walsh. Under this registration, when you signed it, were you a member of the Communist Party at that time?

(Witness conferred with counsel.)

Mr. Frankfeld. I decline to answer that question on the ground previously stated.

Mr. Walsh. And the previous ground stated is what?

Mr. Frankfeld. That I refuse to act as a witness against myself. Mr. Walsh. Now Mr. Frankfeld, I show you Exhibit No. 4, which is a pamphlet, a page, and the title of which is "World Books, 747 Broadway, New York 3, New York," and in the upper left-hand corner, "The newly established firm." In the body of it says, "Carries all of the Marxist classics published to date." The Marxist classics are books written by Lenin, Stalin, and others. Is that correct?

Mr. Frankfeld. Marx and Engels and any American Marxists

as well.

Mr. Walsh. Well, I mean they are all Marxist-Leninist theoretical books?

Mr. Frankfeld. Theoretical books on scientific socialism; yes, sir. Mr. Walsh. And that is commonly known as Marxism-Leninism, is that correct?

Mr. Frankfeld. That is correct.

Mr. Walsh. And you also state, "Books from the Soviet Union, People's China, Canada and other lands. Sole Distributor of and Subscription Service for the WORLD MARXIST REVIEW in the U.S.A.,

Who publishes the World Marxist Review?

Mr. Frankfeld. It is published in Canada by the Progress Books. And I believe that it has its point of origin in Prague, Czechoslovakia.

Mr. Walsh. And then it also states, "Books on American history, Labor, the Negro People's movement and general literature. Book orders promptly filled. Subscription rate for the World Marxist Review is:" Is that one of the books that you had, a page from it?

That is a page from the World Marxist Řeview?

(Document handed to witness.) Mr. Frankfeld. That is right.

Mr. Walsh. And did you pay for that advertisement?
Mr. Frankfeld. That was one of the things that I was able to get on a promotional basis, so that American readers would send in their subscriptions to me.

Mr. Walsh. You did not pay for it, in other words, since you were going to act as distributor for this World Marxist Review, you got this

ad free?

Mr. Frankfeld. That is right.

(Document marked "Frankfeld Exhibit No. 4" and retained in committee files.)

Mr. Walsh. Well, how did you become the sole distributor in the United States for the World Marxist Review?

(Witness conferred with counsel.)

Mr. Frankfeld. In April, the early part of April of 1961, I went to Toronto, Canada. I saw the people who are responsible for the World Marxist Review, spoke to them, and made the arrangements, necessary arrangements, with them.

Mr. Walsh. Specifically, who were the people you saw in Canada with reference to this purpose that you would become the sole dis-

tributor for the World Marxist Review?

Mr. Frankfeld. Mr. William Sydney, who is in charge of Progress

Books in Toronto.

Mr. Walsh. Where is Progress Books located in Toronto, do you

Mr. Frankfeld. 4248 Statten Street, Toronto 3, Ontario, Canada. Mr. Walsh. Are you the sole distributor for the World Marxist Review in the United States?

Mr. Frankfeld. I understand that there are others who import the World Marxist Review from Canada. Who they are, I don't know, but I have discovered subsequently that I am not.

Mr. Walsh. Well, did you have an introduction to this Mr. Sydney

before you went up there?
Mr. Frankfeld. I wrote him a letter.

Mr. Walsh. And that was your sole entree, you might say?

Mr. Frankfeld. Sole entree, that is right, an American-initiated enterprise.

Mr. Walsh. Do you know of any other person who controls, other than the person you have just mentioned, the World Marxist Review?

Mr. Frankfeld. That is the only man I spoke to when I was in Toronto.

Mr. Walsh. Did you ever learn of, or read in the publications of the World Marxist Review, the names of other individuals who are associated with the World Marxist Review?

Mr. Frankfeld. Yes; I read a lot of names, but they don't mean

anything to me.

Mr. Walsh. You never heard of them?

Mr. Frankfeld. I don't know them, never heard of them.

Mr. Walsh. Are you presently a member of the Communist Party? Mr. Frankfeld. It seems to me that the whole purpose of your investigation here is made clear by the whole character of the questions that you are raising.

I thought this was an investigation of business, legitimate business, that Mr. Bob Kennedy said was presentable business. I am licensed under the laws of our country to do business from the Soviet Union

and from China and, therefore, I resent your question.

Mr. Walsh. Well, will you answer it, then?

Mr. Tuck. The witness is ordered and directed to answer the question.

Mr. Frankfeld. I have already answered that I decline to answer the question on the basis that it may tend to incriminate me.

Mr. Walsh. I have no further questions, Mr. Chairman.

Mr. Tuck. Any questions, Mr. Johansen?

Mr. Johansen. No questions.

Mr. Tuck. Any questions, Mr. Bruce?

Mr. Bruce. No questions.

Mr. Tuck. You may stand aside.

(Witness excused.)

Mr. Tuck. Call your next witness.

Mr. Walsh. Mr. Felshin.¹

¹ Testimony of Mr. Joseph Felshin, the last witness on May 17, 1962, is printed in Part 1, pp. 1664-1671.

COMMUNIST OUTLETS FOR THE DISTRIBUTION OF SOVIET PROPAGANDA IN THE UNITED STATES

PART 2

WEDNESDAY, JULY 11, 1962

United States House of Representatives, SUBCOMMITTEE OF THE COMMITTEE ON UN-AMERICAN ACTIVITIES, Washington, D.C.

PUBLIC HEARINGS

The subcommittee of the Committee on Un-American Activities met, pursuant to recess, at 10 a.m., in the Caucus Room, Old House Office Building, Washington, D.C., Hon. Edwin E. Willis (chairman of the subcommittee) presiding.

Subcommittee members: Representatives Edwin E. Willis, of Louisiana, chairman; William M. Tuck, of Virginia; and August E.

Johansen, of Michigan.

Committee members present: Representatives Edwin E. Willis, of

Louisiana, chairman; and William M. Tuck, of Virginia.

Henry C. Schadeberg, of Wisconsin, and Donald C. Bruce, of Indiana (appearances as noted).

Staff members present: Frank S. Tavenner, Jr., director; John C. Walsh, cocounsel; and Donald T. Appell, investigator.

Mr. Willis. The subcommittee will please come to order.

The hearings today are a continuation of those held on May 9, 10, and 17, 1962. In order that the witnesses may be appraised of the legislative purpose, I shall repeat the resolution and subcommittee

designation as placed in the record on May 9.

Let the record show that the Honorable Francis E. Walter, chairman, Committee on Un-American Activities, appointed a subcommittee to conduct these hearings consisting of Representatives William M. Tuck, August E. Johansen, and myself, Edwin E. Willis, as chairman, all of whom are present. I should note that Mr. Johansen is delayed, but another member of the committee, Mr. Schadeberg, is with us.

The committee resolution adopted April 9, 1962, authorizing these hearings sufficiently sets forth the subject and legislative purposes.

(Resolution reads as follows:)

BE IT RESOLVED, that hearings by the Committee on Un-American Activities, or a subcommittee thereof, be held in Washington, D.C., or at such other place or places as the Chairman may designate, and at such time or times as the Chairman may determine, relating to the publishing, printing and dis-

tribution of Communist propaganda material that is instigated from foreign countries or is of a domestic origin, the legislative purposes of which are:

1. To strengthen the provisions of Section 10 of the Internal Security Act of 1950 so as to broaden the application of such section to cover persons, firms, associations and corporations engaged in the printing, publishing and dissemination of Soviet propaganda;

2. To assist Congress, through the Committee's legislative oversight duties, in appraising the administration of laws relating to the introduction and dissemina-

tion of Communist propaganda within the United States; and

3. To consider and act upon clauses (c) and (d) of Section 312 of Title 3, H.R. 6, introduced by Representative Walter on January 3, 1961, and referred to this Committee as part of H.R. 6, said clauses constituting proposed amendments

of the Foreign Agents Registration Act.

BE IT FÜRTHER RESOLVED, that the Committee, or any subcommittee thereof, be authorized to investigate and hear any other matter within the jurisdiction of the Committee which it, or any subcommittee thereof, appointed to conduct these hearings, may designate.

The hearings in May were rather broad and constructive and as a result we have been considering legislation. Today we will hear more witnesses along the same lines.

Counsel, please call your first witness. Mr. Walsh. Helen Allison Winter.

Mr. Willis. Please raise your right hand.

Do you solemnly swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

Mrs. Winter. I do affirm.

TESTIMONY OF HELEN ALLISON WINTER, ACCOMPANIED BY COUNSEL, WORTH ROWLEY

Mr. Walsh. Mrs. Winter, will you give the committee your full name, please?

Mrs. Winter. I was subpensed under the name of Helen Winter,

Global Books.

Mr. Walsh. Is that your right name? Mrs. Winter. That is my correct name.

Mr. Walsh. Where do you live, Mrs. Winter?

Mrs. Winter. In Detroit, Michigan.

Mr. Walsh. At what address?

Mrs. Winter. At 9556 Burnette, Detroit 4.

Mr. Walsh. I notice that you are represented by counsel. Would

you be kind enough to identify yourself, sir?

Mr. Rowley. Yes, indeed. My name is Worth Rowley. I am a member of the District of Columbia bar, of the firm of Cummings & Sellers. I am here today at the request of the American Civil Liberties Union as a volunteer attorney representing Mrs. Winter.

Mr. Walsh. Would you give the committee a short résumé of your

education?

Mrs. Winter. I graduated grade school and I graduated high school.

Mr. Walsh. What high school?

Mrs. Winter. Lincoln High School in Cleveland, Ohio.

Mr. Walsh. And have you continued your education since that time?

Mrs. Winter. No, I have not.

Mr. Walsh. Will you also give the committee a short résumé of your occupational background?

Mrs. Winter. I really don't see, sir, how this in any way affects the legislative powers of this committee. I am here subpensed as the owner of Global Books and I don't know what my background has

to do with anything with respect to selling my books.

Mr. Walsh. This is for the purpose of identification so you will never be mistaken for any other person by the same name, and to give the committee a description of your background so they will know who you are.

Mrs. Winter. There is no other person that owns Global Books except myself and nobody could be confused with me nor could I be

confused with anyone else.

Mr. Walsh. In other words, you are associated with Global Books?

Mrs. Winter. I am the owner of Global Books.

Mr. Walsh. How long have you been the owner of Global Books? Mrs. Winter. On the present premises for approximately 3 years and, prior to that, in a small out-of-the-house selling operation.

Mr. Walsh. Are you the wife of Carl Winter, the chairman of the

Michigan District of the Communist Party?

Mrs. Winter. I don't think that has any pertinency to the matter at hand.

Mr. Walsh. This is also for the purpose of a further identification of you for the committee.

(Witness conferred with counsel.)

Mrs. Winter. In a small booklet Mr. Rowley showed me last night, which I understood the committee was supposed to supply me, but did not, there is a section dealing with this matter of relationship of husband and wife, and I don't think, therefore, it is necessary to give any information concerning my-

Mr. Walsh. I am not asking you any question with reference to the relationship of husband and wife. I am asking you whether or

not you are the wife of Carl Winter.

Mrs. Winter. One shall not be questioned concerning the activities

of the other.

Mr. Walsh. I am not asking you anything about activities. I am asking you whether you are the wife of Carl Winter, who is the chairman of the Michigan District of the Communist Party. You may answer that yes or no, or any other way you want to.

(Witness conferred with counsel.)

Mrs. Winter. It seems to me that this possibly could be a leading question. There are two questions in one—I, the wife of so and so, and is he somebody or other.

Mr. Walsh. Are you the wife of Carl Winter?

Mrs. Winter. Yes, I am.

Mr. Walsh. Is he the chairman of the Michigan District of the Communist Party?

Mrs. WINTER. No, he is not. Mr. Walsh. Was he ever?

Mrs. Winter. That I am sorry—I think I will refuse to answer on the grounds of the first and fifth amendments. I don't think it is pertinent to the proceedings at hand.

Mr. Walsh. Are you presently the educational director of the

Communist Party for the District of Michigan?

Mrs. Winter. I think that particular question infringes on my rights under the first amendment and I don't think it is necessary for the inquiry at hand.

Mr. Walsh. Only under the first amendment?

Mrs. Winter. And fifth amendment.

Mr. Walsh. Have you ever had any business dealings with the publishing house known as Crosscurrents Press, Inc., of New York City?

Mrs. Winter. I have business dealings with some hundred or more

publishing houses.

Mr. Walsh. I am asking you specifically have you had any dealings

with Crosscurrents Press, Inc., of New York City?

Mrs. WINTER. I think, sir, that delves into my rights under the first amendment with respect to freedom of the press and I do not see any need to answer that question with respect to the present inquiry.

(At this point Mr. Bruce entered the hearing room.)

Mr. Walsh. You are not invoking the fifth amendment to this particular question?

(Witness conferred with counsel.)

Mrs. Winter. I believe I will have to invoke the fifth amendment as well.

Mr. Willis. What is that?

Mrs. Winter. I will invoke the fifth amendment as well.

Mr. Walsh. I hand you a document, which I ask be marked Winter Exhibit No. 1 and filed with the committee for reference. I ask you whether or not that is a copy of a certificate which you filed for conducting a business under an assumed name in the State of Michigan, and sworn to under date of September 3, 1958. I also ask you whether or not that is your signature on this particular document?

(Witness conferred with counsel.)

Mrs. Winter. It seems to me that anything that relates to this inquiry relates my constitutional rights under the first and fifth amendments and I decline to recognize this.

Mr. Walsh. Is that your signature on Winter Exhibit No. 1?

Mrs. Winter. I decline to state.

(Document marked "Winter Exhibit No. 1" and retained in committee files.)

Mr. Tuck. Mr. Chairman, I can hardly hear the witness.

Mr. Walsh. I call your attention to the fact that you have stated in this document that you do certify that the true and real full name or names of the person or persons owning, conducting, transacting the same together with the Post Office address of each is as follows; and further on this certificate it reads: "Helen Winter, 9556 Burnette, Detroit," and it is signed on September 3, 1958.

Mr. Willis. Counsel, will you defer?

Mr. Walsh. Yes, sir. Mr. Willis. Counsel, is this microphone next to the witness working? We can hardly hear you and cannot hear the witness at all.

Mrs. Winter. I am speaking perfectly all right. They will have to tell me whether they can hear or not.

Mr. Walsh. Will you pull it closer to you, Mrs. Winter?

Mr. Willis. We will say if we can't hear.

Mr. Walsh. I also notice on Exhibit No. 1 that the address is 9556 Burnette Street, Detroit.

I now show you a document, which I ask be marked as Winter Exhibit No. 2 for reference purposes. This shows a change of address of Global Books from 9556 Burnette to 4829 Woodward Avenue. Isthis the present address of Global Books?

(Witness conferred with counsel.)

Mr. Walsh. I ask you to look at the document to refresh your

recollection, if necessary.

Mrs. Winter. I believe I will have to continue to rely on my constitutional privilege and decline to answer this question on the basis of the first and the fifth amendment.

Mr. Willis. Do you say you believe so? Do you invoke?

Mrs. Winter. Yes, I do.

(Document marked "Winter Exhibit No. 2" and retained in committee files.)

Mr. Walsh. Do you know a Myron Emanuel Sharpe, who is the

owner of Crosscurrents Press, Inc., of New York City?
Mrs. Winter. I am sorry, sir, I will have to continue to decline to answer these questions on the basis of the first and fifth amendment. I believe this is infringing upon my rights with respect to the freedom of the press.

Mr. Walsh. Was this individual, Myron Emanuel Sharpe, also known as "Mike" when he was a graduate student at the University

of Michigan?

Mrs. Winter. I am sorry, sir, I cannot answer that question either

for the same reason.

Mr. Walsh. Do you know whether or not he was one of the youth leaders of the Communist Party at the university at that time?

Mrs. Winter. I will have to refuse to answer that question on the I have no information with respect to that in any way.

Mr. Walsh. In May of this year, Mr. Sharpe appeared before this committee and one of the exhibits (Sharpe Exhibit No. 23) introduced at that time was a copy of the dissemination report filed by Crosscurrents Press under the Foreign Agents Registration Act. This dissemination report showed that 200 copies of the pamphlet, Speech by Nikita S. Khrushchev at the Fifteenth Session of the UN General Assembly were shipped to Global Books, Detroit, Michigan, by Crosscurrents Press.

I ask you whether or not this is true as I now show you Sharpe

Exhibit No. 23.

(Witness conferred with counsel.)

Mr. Walsh. To simplify the question, Did you receive 200 books from Crosscurrents Press of that speech by Nikita Khrushchev?

Mrs. Winter. I will rely on my privileges under the first and fifth

amendment with respect to answering this question.

I have no recollection of this transaction, in any event.

Mr. Willis. Then I do not see any basis for your invocation of the fifth amendment. Your answer is that you know nothing about it, is that it?

(Counsel conferred with his witness.)

Mrs. Winter. I rely on my constitutional privileges in this instance.

Mr. WILLIS. Why?

Mrs. Winter. Because I believe it is an infringement of my rights under the first and fifth amendments with respect to freedom of the press, and with respect to bearing witness against myself if I should attempt to answer these questions.

Mr. Bruce. Mr. Chairman, did not the witness open up the avenue

of further interrogation of this with her initial answer?

Mr. Willis. She came pretty close to that, but she finally relied on the fifth amendment, so I will only suggest that the witness be more specific in her invocation of the constitutional protections. Otherwise, I am going to have to order you to answer the questions.

Mr. Walsh. Mrs. Winter, prior to September 3, 1958, when you filed this certificate to conduct business under an assumed name, namely, Global Books, did you have any discussion with respect to its establishment with any person or persons of the Communist Party of Michigan?

Mrs. Winter. I will have to rely on my privileges under the first and fifth amendments with respect to this question, and decline to

answer it.

Mr. WILLIS. Do you? Mrs. WINTER. I do.

Mr. Walsh. When you changed the address from 9556 Burnette to 4829 Woodward Avenue, did you do that so that you would be closer to the Wayne State University in order to expand Communist Party activities through the students there?

Mrs. Winter. I am sorry, sir. I decline to answer this on the

same basis.

Mr. Walsh. According to the committee's investigation in 1960, the Communist Party urged its members in all districts to arrange for the issuance of invitations to concealed and open members of the

Communist Party to speak on university campuses.

As a member of the National Committee of the Communist Party of the United States, did you participate in these discussions for the issuance of directives to the membership for the purpose of inviting concealed and open members of the Communist Party to speak on university campuses?

(Witness conferred with counsel.)

Mrs. Winter. To that question, too, I decline to answer on the basis of my rights under the first and the fifth amendments.

Mr. Walsh. Was this one of the reasons why you formed Global

Books Forum?

Mrs. Winter. I am sorry, I decline to answer that question for the

same reasons.

Mr. Walsh. I hand you a copy of a letter on the stationery of Global Books, 4829 Woodward Avenue, Suite 201, Detroit 1, Michigan, Winter Exhibit No. 3 and signed Helen Winter, Owner. It reads as follows:

"Global Books, 4829 Woodward Avenue, Suite 201, Detroit 1, Michigan," and it is dated January 11, 1961. "To Whom it May Concern Global Books, of 4829 Woodward, Detroit, freely consents to the registration of the name GLOBAL BOOKS FORUM as the assumed name of that non-profit voluntary association, of which I am secretary and Carl Haessler is chairman-treasurer."

Will you look at the letter, please, and tell the committee if that

is your signature, "Helen Winter." (Witness conferred with counsel.)

Mrs. Winter. I believe this is an infringement of my rights under the first amendment and I decline to answer this question.

Mr. Walsh. You are only invoking the first amendment?

Mrs. Winter. And the fifth amendment as well.

Mr. Walsh. Do you honestly believe that if you answered that question you would incriminate yourself?

Mrs. Winter. I am sorry, sir, but many of these questions are very leading. They are double and triple questions and I think I will have to rely upon my constitutional rights with respect to answering them all.

Mr. Willis. Ask her a simple question.

Mrs. Winter. I decline to answer that question on the basis of the first and fifth amendments.

Mr. Willis. You haven't been asked a question yet.

What is the question? Rephrase it.

Mr. Walsh. I asked her if that is her signature on this letter.

Mr. Willis. That is a simple question, isn't it?

Mrs. Winter. I decline to answer the question on the basis of my rights under the first and the fifth amendments.

Mr. Walsh. This letter, "To Whom it May Concern," is stamped,

"filed January 11, 1961, Edgar M. Branigin, Clerk."

Mr. Willis. May I see that document? And it may be marked. (Document marked "Winter Exhibit No. 3" and retained in Committee files.)

Mr. Walsh. I show you Winter Exhibit No. 4, a copy of a certificate with reference to the Global Books Forum conducting business under an assumed name. It is dated January 11, 1961, and is signed

by Carl Haessler.

On this certificate, there are five signatures, four of which are struck out, including that of one Helen Winter. I ask you whether or not you are acquainted with Carl Haessler, whose signature is the only signature not stricken from the certificate?

Mrs. Winter. I must decline to answer this question also on the

basis of my rights under the first and fifth amendments.

Mr. Willis. Do you decline? Mrs. Winter. I do decline.

Mr. Walsh. Was Carl Haessler one of the original founders of Global Books Forum?

Mrs. Winter. I am sorry, sir. I decline to answer that question

on the same basis.

Mr. Walsh. Would you answer whether or not Lucy Haessler, 39 Massachusetts, Highland Park, was one of the original founders of Global Books Forum?

Mrs. Winter. The same answer to that question.

Mr. Walsh. Naomi Komorowski?

Mrs. Winter. I decline to answer that question on the same basis.

Mr. Walsh. And also Conrad Komorowski?

Mrs. Winter. I decline to answer that question on the same bas's. (Document marked "Winter Exhibit No. 4" and retained in committee files.)

Mr. Walsh. Do you know whether or not Carl Haessler and Lucy

Haessler were members of the Communist Party?

Mrs. Winter. I am sorry, sir. I decline to answer that question on the same basis.

Mr. Walsh. And the same answer to Naomi and Conrad Komorowski?

Mrs. Winter. Yes, sir.

Mr. Walsh. Isn't it a fact that Conrad Komorowski is the editor of the Polish newspaper, Glos Ludowy?

Mrs. Winter. I decline to answer that question on the same basis,

first and fifth amendments.

Mr. Walsh. Do you know whether there is such a newspaper printed in the Polish language known as Glos Ludowy?

Mrs. Winter, I am sorry, sir. I decline to answer that question

as well.

Mr. Walsh. Is it a fact that this Polish language newspaper, known as Glos Ludowy, is under the control of the Communist Party?

Mrs. Winter. I decline to answer that question as well.

Mr. Walsh. Is it a fact that you are the educational director of the Communist Party of Michigan?

Mrs. Winter. I am sorry, sir. I decline to answer that question

on the same basis.

Mr. Walsh. And that the Communist Party controls the foreign

language newspaper, Romanul America?

Mrs. Winter. I decline to answer that question on the same basis. Mr. Walsh. Do you know whether or not the Communist Party of Michigan controls the foreign language newspaper, Narodna Volya? Mrs. Winter. I decline to answer that question.

Mr. Walsh. Have you ever heard of that newspaper?

Mrs. Winter. These newspapers are published in Michigan along with hundreds of others. I happen to have seen their names on mailing

(Counsel conferred with his witness.)

Mr. Walsh. Are you familiar with the Cheyne Printing Company? Mrs. Winter. I am sorry, sir. I will have to decline to answer that question on the basis of my privileges.

Mr. Walsh. You previously stated that the only reason you know about these newspapers I have just mentioned is the fact that you

have seen them on mailing lists. Was that your statement?

Mrs. Winter. No. I decline to answer any question with respect to freedom of the press. I have that privilege under the first amendment and I decline to answer any of these questions also with respect to my privilege under the fifth amendment.

Mr. Walsh. You stated that you did know some of these papers: Glos Ludowy, Romanul America, and the Narodna Volya because you have seen them on mailing lists. Is that correct? Is that what you

stated a few moments ago?

Mrs. Winter. I probably stated that, but I would like to say now that I decline to answer any further questions with respect to these matters under my privilege under the first and fifth amendments.

Mr. Walsh. On October 21, 1960, did the Global Books Forum sponsor Harvey O'Connor at the McGregor Center on the campus of Wayne State University?

Mrs. Winter. I decline to answer this with respect to my rights under the first amendment, which has to do with freedom of speech-

Mr. Walsh. Do you know whether or not any person-

Mrs. Winter. And also the fifth amendment.

Mr. Walsh. After Wayne University attempted to cancel the Forum's use of McGregor Center, did Global Books Forum obtain an injunction against Wayne State University?

Mrs. Winter, s decline to answer this question or any relating question on the basis of my privilege under the first and fifth amendments.

Mr. Walsh. Did you, under the name of Helen Winter, start court proceedings to get an injunction against Wayne University for refusing to allow Global Books Forum to hold such a meeting?

Mrs. Winter. I am sorry, sir. I decline to answer for the same

reasons.

Mr. Walsh. Did members of the Communist Party and their lawyers decide that they would attempt to get an injunction against the university for not permitting you to have Harvey O'Connor speak there?

Mrs. Winter. I cannot answer that question under my privilege

under the first and fifth amendments.

Mr. Walsh. Do you know whether or not any members of the Communist Party did appear on the Michigan College campuses and did the Communist Party arrange for the invitations to be issued through the students and faculty members of the campus to invite members of the Communist Party to make speeches or address the students on the college campuses in Michigan?

Mrs. Winter. I don't understand that question.

Mr. Walsh. I will rephase it. When the speakers of the Communist Party appeared on the Michigan College campuses did the Communist Party arrange for the invitations to be issued to these speakers through students and faculty members on the campuses?

Mrs. Winter. I don't understand the question at all. I'm sorry. Mr. Walsh. Did you participate in any of the decisions of the Communist Party whereby they did ask the students and certain faculty members to invite Communists to address them on the Michigan campuses?

Mrs. Winter. I will have to invoke my rights under the first and

fifth amendments.

Mr. Willis. We have been very lenient with you, Witness. You are persistent in saying you cannot do it or you must do it. You can't have your cake and eat it too. Do I understand that you do invoke?

Mrs. Winter. I do.

Mr. Willis. All right. Please say so.

Mrs. Winter. When I say I decline that is what I mean.

Mr. Willis. But you are saying you cannot answer.

Mrs. Winter. I cannot. It is an infringement upon my rights. Mr. Willis. You have the right to invoke the fifth amendment. You certainly can answer if you want to. That is the idea of these hearings.

Mr. Walsh. Mrs. Winter, on February 17, 1961, did Global Books Forum sponsor the appearance in Detroit of Herbert Aptheker, who is the editor of the theoretical organ of the Communist Party known

as Political Affairs?

Mrs. Winter. I decline to answer that question on the basis of my rights under the first and fifth amendment.

Mr. Walsh. Do you know Herbert Aptheker?

Mrs. Winter. I decline to answer that question on the same basis. Mr. Walsh. Did Global Books Forum sponsor Herbert Aptheker on November 17, 1961?

Mrs. Winter. I decline to answer that question on the same basis. Mr. Walsh. And on March 31, 1961, did Global Books Forum

sponsor Scott Nearing?

Mrs. Winter. I decline to answer that question on the same basis. Mr. Walsh. On January 16, 1962, did Global Books Forum sponsor Russ Nixon, the former legislative director of UE and now editor of the pro-Communist newspaper National Guardian?

Mrs. Winter. I decline to answer that question on the same basis. Mr. Walsh. On January 23, 1962, did Global Books Forum sponsor Coleman Young, who was a delegate to the Michigan Constitutional

Convention of the Communist Party?

Mrs. Winter. I decline to answer that question on the same basis. Mr. Walsh. Coleman Young has previously been identified by this committee as a member of the Communist Party. Did you know him to be a member of the Communist Party when Global Books Forum sponsored bim on January 23, 1962?

Mrs. Winter. I decline to answer that question on the same basis.

Mr. Walsh. Do you know a Miss Bereniece Baldwin?

(The witness conferred with her counsel.)

Mrs. Winter. I decline to answer that question on the same basis. Mr. Walsh. In the testimony of Bereniece Baldwin in executive session on April 9, 1953, she testified to the effect that when she handled the membership records of the Communist Party for the State of Michigan she did not know the identity of persons assigned to the professional sections of the Communist Party of Michigan. She also stated in her testimony that the individuals knowing the identity of the professional club members were, in addition to the members of the club, Carl Winter and also yourself. My question is this: How many professional clubs of the Communist Party were ${
m there} ?$

Mrs. Winter. I decline to answer that question on the basis of my rights under the first and fifth amendment.

Mr. Walsh. Who were the members of the professional section?

Mrs. Winter. In 1953? I decline to answer-

Mr. Walsh. Mrs. Baldwin testified in 1953 that you and——

Mrs. Winter. I decline to answer.

Mr. Walsh.—Carl Winter knew who these individuals were and what the sections were. I am asking you whether or not you knew the members of the professional sections?

Mrs. Winter. I invoke my constitutional privilege and decline to

answer this question.

Mr. Walsh. Do you know them now?

Mrs. Winter. I invoke my constitutional privilege and decline to answer this question.

Mr. Willis. On which constitutional privilege?

Mrs. WINTER. The first and fifth amendment to the United States Constitution.

Mr. Walsh. I have no further questions, Mr. Chairman.

Mr. Willis. Any questions? Mrs. Winter. Am I excused?

Mr. Willis. The witness is excused.

(Witness excused)

Call your next witness, Mr. Walsh.

Mr. Walsh. Carl Haessler.

Mr. Willis. Please raise your right hand.

Mr. Haessler. I will affirm.

Mr. Willis. Do you solemnly swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Haessler. No, I don't swear. I affirm.

Mr. Willis. Do you solemnly swear-

Mr. Haessler. I do not.

Mr. Willis. Do you solemnly affirm that you will tell the truth, the whole truth, and nothing but the truth?

Mr. Haessler. I affirm this.

TESTIMONY OF CARL HAESSLER, ACCOMPANIED BY COUNSEL, WALLACE McGREGOR

Mr. Walsh. Would you give your full name to the committee, please?

Mr. Haessler. Yes, sir. Carl Haessler. Mr. Walsh. And where do you live, sir?

Mr. Haessler. Detroit.

Mr. Walsh. Will counsel please identify himself?

Mr. McGregor. Mr. Chairman, my name is Wallace McGregor. I am a member of the District of Columbia bar. I am a volunteer attorney for the American Civil Liberties Union. Mr. Chairman, if I may, may I confer with my client just briefly before the interrogation begins?

Mr. Willis. Yes.

(Witness conferred with counsel.)

Mr. McGregor. Thank you, Mr. Walsh.

Mr. Walsh. Where were you born, Mr. Haessler?

Mr. Haessler. Milwaukee.

Mr. Walsh. Would you give the committee your educational background, please?

Mr. Haessler. May I ask if that is relevant?

Mr. Willis. That is the usual background material.

Mr. Haessler. Okay. Elementary and high school, Milwaukee, University of Wisconsin, B.A., Oxford University, another B.A., University of Illinois, Ph. D.

Mr. Walsh. Will you also give the committee your occupational

background?

Mr. Haessler. I taught philosophy at the University of Illinois for 3 years.

(At this point Mr. Tuck left the hearing room.)

Mr. Walsh. Would you specify the years, please? Mr. Haessler. 1914 to 1917. Then I worked on the Milwaukee Leader, a socialist daily, off and on, and in 1922 I became managing editor of the Federated Press, the labor news service, which I managed until it suspended operations at the end of 1956. At the same time I was editor, off and on, of the United Automobile Worker, the United Rubber Worker, and 20 or so local union and subordinate union body publications. I am also a lecturer. I have taught union labor classes and lately in my decline as a regular speaker I have become a chairman—that's a step down from speaker—together with advancing age interests.

I am a semiprofessional chairman, I might say.

Mr. Walsh. Semiprofessional what?

Mr. Haessler. Semiprofessional chairman, one who chairs without

Mr. Walsh. I show you Winter Exhibit No. 4 previously introduced which is a certificate to conduct business under an assumed name and filed January 11, 1961. I ask you whether or not that is your signature which appears on that copy.

(Witness conferred with counsel.)

Mr. Haessler. May I ask if this is an original document?

Mr. Walsh. That is a photostatic copy of an original notice. If you will look at your signature there you can identify it perhaps?

Mr. HAESSLER. But it is not the original document.

Mr. Walsh. No, that is a photostatic copy of the original document. Mr. Haessler. Well, on consideration I will take the first, the fifth, and the fourteenth amendments on this question.

Mr. Willis. You mean you decline to answer on the basis of those

provisions?

Mr. Haessler. On the basis of constitutional privilege.

Mr. Walsh. I now show you Winter Exhibit No. 3, also previously introduced during Mrs. Winter's testimony, which states in part: "Global Books Forum, as the assumed name of that non-profit voluntary association, of which I am secretary and Carl Haessler is chairman-treasurer." Is that a fact, sir, if you are chairman-treasurer?

Mr. Haessler. Well, I'm sorry that I must feel it incumbent upon

me to take the same amendments.

Mr. Willis. You do invoke the privileges of those amendments?

Mr. Haessler. I do, sir.

Mr. Walsh. It states here that Carl Haessler is chairman-treasurer. And you invoke the fifth amendment on that?

Mr. Haessler. I do, sir.

(Witness conferred with counsel.)

Mr. Haessler. Pardon me; first and fifth.

Mr. Walsh. Would you also tell the committee the circumstances and the purposes for which Global Books Forum was formed or chartered?

(Witness conferred with counsel.)

Mr. Haessler. I again invoke the constitutional privileges of the first, fifth, and fourteenth amendments.

Mr. Walsh. Is Global Books Forum a membership organization?

Mr. HAESSLER. My answer is the same, sir.

Mr. Walsh. Yes.

Mr. Haessler. I believe one of your committee members today asked the chairman of the committee whether the previous witness was not opening a certain line of questions, which from my experience in covering various congressional committee hearings was a step I believe—I won't say so certainly—but in my opinion a step toward weakening the constitutional privilege of the witness, and I again invoke the first, fifth and fourteenth amendments.

Mr. Willis. That is not the basic position of this committee.

Mr. Haessler. No, I hope not.

Mr. Willis. And you can figure it out for yourself, but the principle involved is this: That one cannot speak out in certain areas and then

refuse to speak out on all areas. It is not a weakening of the privilege because it cannot be proper for a witness to brag about certain things that involve some fringe factual situations in order to make out a favorable record—I am not concerning myself with you individually for the sake of a favorable record and then refuse to answer questions on the issue involved, so it is not the idea of weakening anyone's privileges. It is just to permit one to talk freely if he wants to talk and not have his cake and eat it, too.

(Counsel conferred with witness.)

Mr. Willis, Proceed.

Mr. Walsh. In Exhibit No. 4 I notice that there are other individuals mentioned in the certificate to do business under an assumed name, to wit, the Global Books Forum. These are Helen Winter, Naomi Komorowski, and Conrad Komorowski. Do you know these

Mr. Haessler. Following the chairman's explanation to me, for which I am grateful, I would like to first interpose that I took legal advice on this question of opening a line, as the committee member put it, both in Detroit and Washington, and for that reason, with all due respect to the chairman and the committee, I must again invoke the first, fifth, and fourteenth amendments.

Mr. Willis. You do invoke those?

Mr. Haessler. Yes, if I must, I do. Yes, "do" is better procedure

I suppose. Yes, I do.

Mr. Willis. It is not a question of procedure. It is a question of fact. We do not want the record to imply that we are forcing you to do anything.

Mr. Haessler. Sir, does it mean that if I say I must invoke, that

the record will show that I have not invoked it?

Mr. Willis. It is close. We prefer to face it directly.

Mr. Haessler. Better to be safe.

Mr. Willis. For your sake, as well as ours. Mr. Haessler. Thank you. I feel better.

Mr. Walsh. Were those individuals whom I have just mentioned

responsible for the formation of the Global Books Forum?

Mr. Willis. Let me understand this document and the other one. Do I understand it to mean that certain individuals, this one and whoever may be on it, under an applicable State law, are asking permission to operate under an assumed name? Is that the idea?

Mr. Walsh. Yes, sir.

Mr. Willis. All right. I make no mention of the validity of that law. One operates under a trade name, nom de plume, or anything he wants to operate under. I wanted to know what the document was.

Mr. Haessler, May I explain that in Michigan a voluntary organization cannot sue unless it has an assumed name, a registered

name, with at least five persons.

Mr. Willis. That is right. That is for the privilege of doing business and not being sued. You can always be sued for assuming a name under an organization.

Mr. Haessler. As an organization.

Mr. Walsh. This then doesn't comply with the law as you have just explained it because as I look at this document, the only person who is mentioned therein is Carl Haessler, because the other names, Lucy Haessler and the other three I have just mentioned, have been stricken out, and I show you this document to refresh your recollection.

(Counsel conferred with his client.)

Mr. Haessler. This again is not an original document, is it?

Mr. Walsh. It is the same document I showed you before and, as I stated to you before, it is a photostatic copy of an original document filed with the county clerk in Detroit, Michigan?

Mr. Haessler. I don't know what the circumstances were of the

crossing out and so I am unable to answer the question.

Mr. Walsh. Is all of that in your handwriting?

Mr. Haessler. I again invoke my constitutional privileges.

Mr. Walsh. Did you strike out the other names?

Mr. Haessler. Same answer, sir.

Mr. Walsh. Please note the name of Helen Winter on this and evidently it is all the same handwriting. At the time this document was filed did you know Helen Winter to be a member of the National Committee of the Communist Party of the United States?

Mr. Haessler. Mr. Chairman, let me say that I could answer

that, but I am afraid that will open the line, would it not?

Mr. Willis. You have your counsel. Repeat the question.

Mr. Walsh. Did you know that Helen Winter, whose name appears on Winter Exhibit No. 4, was a member of the National Committee of the Communist Party of the United States?

Mr. Willis. Suppose you split the question in two. Did you, at the time this document was prepared, or on its date, know that

person as a person?

Mr. Haessler. As what?

Mr. Willis. Did you know the person? Mr. Walsh. Did you know Helen Winter?

Mr. Haessler. Mr. Chairman, I again ask if that will open a line. If I have your assurance that it will not I think I could answer either

"Yes" or "No."

Mr. Willis. I would say that you have a right to speak truthfully and answer that you knew or did not know her. If the succeeding question is, "Did you know her to be a Communist," you may have a different answer. There is no trick to this.

Mr. Haessler. You mean I could say yes, I know her, and then I

could legally decline to answer further questions about her?

I would like the chairman's opinion and not my counsel's on that.

Mr. Willis. Let us say offhand it would be my opinion that you would have that right. I certainly wouldn't insist on saying that you have opened the door, if you want to say you knew that person or the four of them on there.

Mr. Haessler. But I know—I assume that you are a lawyer.

Mr. Willis. Yes.

Mr. Haessler.—that you put in the word "offhand." that impair the validity of your opinion?

Mr. Willis. My opinion is that I can say from the point of view

of this committee at these hearings you may do it.

Mr. Haessler. And may I ask one further precautionary question? I don't want to be obstructive, but would the opinion of the subcommittee be upheld by the chairman of the committee?

Mr. Willis, Yes.

Mr. Haessler. As a whole?

Mr. Willis. Yes, but I can't tell you it would be upheld by the courts. I don't speak for the courts. A lot of the decisions go one way and sometimes I have a different opinion, but it wouldn't go to court. I think we are quibbling about a minor point. I ask you, as chairman, do you now know Helen Winter and did you know her on the date of that document?

Mr. Walsh. Which is January 11, 1961.

(Witness conferred with counsel.)

Mr. Willis. I am not pressing you. I asked you a direct question and you seemed to be bothered. I am not forcing you to any position.

Mr. Haessler. I know I am not pressed and I appreciate the atmosphere that prevails here, and let me say then that I will answer the question on the strength of the assurance of the subcommittee's chairman that it will not open the line and on the first assurance the subcommittee's chairman has given me that the ruling he has made will be upheld by the committee.

Mr. Willis. I would say this. Of course, questions along the line of how did you know her and the type of association with her would certainly be pertinent to succeeding questions. I think your lawyer

would tell you that.

(Counsel conferred with his client.)

Mr. Haessler. Mr. Chairman, I am sorry to be captious, but don't you rather privately agree with me that you hedged a bit on your

most recent statement?

Mr. Willis. Not at all. I am not hedging. I say, if you say you knew her or know her it would be perfectly proper to say how well you knew her or how did you come to know her, aside from association in communistic activities that I suppose you want to invoke your rights on, but let's go forward.

Mr. Haessler. Would I have to answer a question, for example,

that she is a member of the Republican Party, to my knowledge?

Mr. Willis. We are not going to get anywhere by your asking me 1, 2, 3, 4, 5, or 6 hypothetical questions. I think I have gone pretty far as the chairman.

Mr. Haessler. Let me say without advice of counsel and without

benefit of the chairman's remarks that I will-

Mr. Walsh. Before you say it you ought to confer with your

counsel.

Mr. Haessler. I am not going to in this instance. Thank you. I want to say that I will invoke the first, fifth, and fourteenth amendments to that question.

Mr. Willis. All right. Then the next question is, Did you know her at any time to have been or to be a member of the Communist

Party?

Mr. Haessler. Did I know whom?

Mr. Walsh. Helen Winter.

Mr. Willis. Helen Winter. He asked the question in a double-barreled fashion and I am splitting the two. You invoked the fifth amendment on one. Now the next question is, Did you know her or do you know her as a member of the Communist Party?

Mr. Haessler. Well, isn't that a leap in the chain of evidence? I have not acknowledged that I know her, so how can I say whether-

Mr. Willis. I am going to order you to answer that question.

Mr. Haessler. And I decline to answer on the first, fifth, and fourteenth amendments, Mr. Chairman. I am sorry that things are not moving along as smoothly as you would like and as I would like, but that seems to be the situation.

Mr. Willis. All right.

Mr. Walsh. Did you know Naomi Komorowski to be a member of the Communist Party?

Mr. Haessler. I invoke the first, fifth, and fourteenth amend-

Mr. Walsh. Did you know Conrad Komorowski to be a member of the Communist Party of the United States?

Mr. HAESSLER. Again, first, fifth, and fourteenth, sorry to say.

Mr. Walsh. Did you know Helen Winter to be the educational director of the Communist Party in the district of Detroit?

Mr. Haessler. I invoke the same amendments, sir.

Mr. Walsh. May I ask you this question, Mr. Haessler? Have

you ever been a member of the Communist Party?

Mr. Haessler. No, sir. By no, sir, I refer not to whether you may ask the question, but in response to the question itself. You say may I ask you? To this my proper answer would be that is ambiguous.

Mr. Walsh. I now ask you-

Mr. Haessler. I meant to say not to refuse to answer. I was answering the purport of your question.

Mr. Walsh. Now I directly ask you this question. Are you now or have you ever been a member of the Communist Party?

Mr. Haessler. I have not, sir. I could explain that if you like. Mr. Walsh. In view of the fact that this witness will not answer any questions with reference to those individuals mentioned on Exhibit No. 4; namely, Lucy Haessler, Helen Winter, Naomi Komorowski, and Conrad Komorowski, I have no further questions.

Mr. Willis. Any questions? Mr. Bruce. No questions. Mr. Willis. You are excused. Mr. Haessler. Thank you, sir.

(Witness excused.)

Mr. Willis. Call your next witness.

Mr. Walsh. Gregory Lotsman.

Mr. Willis. Please raise your right hand. Do you solemnly swear that the testimony you are about to give will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Lotsman. I do.

TESTIMONY OF GREGORY BORIS LOTSMAN, ACCOMPANIED BY COUNSEL, CHESTER C. SHORE

Mr. Walsh. Mr. Lotsman, will you state your full name and where you live?

Mr. Lotsman. My name is Gregory B. Lotsman. I live at 7266

Constance in Chicago, Ill.

Mr. Walsh. You are represented by counsel? Will be please

identify himself?

Mr. Shore. My name is Chester Shore. I am a member of the bar of the District of Columbia, associated with the law firm of Wasserman & Carliner in Washington, D.C.

Mr. Walsh. When and where were you born, Mr. Lotsman?

Mr. Lotsman. I was born on July 27, 1899.

Mr. Walsh. Where?

Mr. Lotsman. I was born in eastern Siberia.

Mr. Walsh. Will you give the committee your occupational

background?

Mr. Lotsman. Occupational background? Upon my arrival to the United States in about 1918, I secured the job in a factory where they were making musical instruments. My job was to take a brush, stick it into hot glue, and smear that glue on the card box, the shape of a guitar, mandolin, cello, and then paste it on, and then I worked as a workingman there, and evenings went to New York University to study English language and history.

After that I went to University of Buffalo where I attempted to study medicine, but due to the fact that I did not have sufficient funds the dean of men called me in and told me that I would suffer either TB or mental collapse because I would work day and night, and not having any money he suggested that I quit the university, just for not being

able physically to withstand that task.

From there I went to Davenport, Iowa, on the suggestion of an acquaintance, of a dentist, and I studied there chiropractic and I became a chiropractor, graduate of the School of Chiropractic in 1923. I practiced in Williamsburg, Brooklyn. I found that didn't suit my personality and my needs. I stopped practicing chiropractic. One of my patients was in a motion picture business. His name was Mr. Alexander Bimberg and he is dead now.

He suggested that I go together with him and some other people into motion picture business in China; that we purchase films and move

to China to exhibit American films.

Mr. Walsh. What year was this? Mr. Lotsman. That was 1924.

Mr. Walsh. Will you start in with your occupations in and around 1950?

Mr. Lotsman. In 1950-

Mr. Walsh. In and around there.

Mr. Lotsman. Well, my basic occupation was a real estate broker. I am a licensed real estate broker in the State of Illinois, insurance broker in the State of Illinois. I have had my own offices and I also

worked for other firms.

Mr. Walsh. Mr. Lotsman, I show you Lotsman Exhibit No. 1, which is a photostatic copy of a short-form registration statement filed with the Department of Justice by Cross World Books and Periodicals, Inc., Chicago, Ill. I particularly direct your attention to page 3 and ask you to tell us whether or not that is your signature which appears on page 3 of that registration statement.

Mr. Lotsman. Yes, that is my signature. (Document marked "Lotsman Exhibit No. 1" and retained in com-

mittee files.)

Mr. Walsh. In this statement on page 2, you state you act as general manager of Cross World Books and Periodicals. When did you first become associated with Cross World Books and Periodicals?

Mr. Lotsman. On October 19, 1960. Mr. Walsh. At the time you became associated with it in October

1960, who owned this Cross World Books and Periodicals?

Mr. Lotsman. At the time I was employed it was owned by the present owners.

Mr. Walsh. Who are they?

Mr. Lotsman. Mr. Alexander Svenchansky, president of the company, Mr. Henry Levy, treasurer and secretary.

Mr. Walsh. Did you know a Rose Rouse, R-o-u-s-e, also known

by the name of Rose Rose?

Mr. Lotsman. I was acquainted with her, yes.

Mr. Walsh. Was she the owner of that particular company when you first became associated with it?

Mr. Lotsman. Mr. Svenchansky and Levy were the owners when

I became the manager.

Mr. Walsh. Were you affiliated with Cross World Books and Periodicals at the time LeRoy Wolins was assistant manager?

Mr. Lotsman. No, sir.

Mr. Walsh. Do you know him?

Mr. Lotsman. Yes, sir.

Mr. Walsh. How long have you known him? Mr. Lotsman. I have known Mr. LeRoy Wolins from the time I employed him at Cross World Books. That was sometime in January 1961.

Mr. Walsh. I asked you was he assistant manager when you were

associated with the Cross World Books and Periodicals?

Mr. Lotsman. No, he was not even there. He was not connected with it. I was the sole manager. It was my contract to employ people and I never employed him at that time. I employed him sometime later, maybe in January. I think so.

Mr. Walsh. January of what year?

Mr. Lotsman. When we started, about 1960, in January 1960, 1961, when we started. We started in October and I think I employed him in January.

Mr. Walsh. Would you tell the committee the circumstances by which Alexander Svenchansky and Henry Levy became owners of

Cross World Books and Periodicals?

Mr. Lotsman. Sir, I couldn't tell that any more than you can. Mr. Walsh. How long have you known those two individuals?

Mr. Lotsman. They came to me and asked me to quit my employment, and because I am proficient in writing language, and in English, and because I know books and I love books, because I know literature and because I know history, they asked me if I would undertake management of that business, and that is all.

Mr. Walsh. Where were you working when they came to you with

this proposition?

Mr. Lotsman. I was recovering from an accident and I was in the

real estate business at the time.

Mr. Walsh. How long had you been in the real estate business prior to the time that you became associated with Cross World Books and Periodicals?

Mr. Lotsman. I would say about 10 years.

Mr. Walsh. And during that time had you been associated with any book stores?

Mr. Lotsman. No, sir.

Mr. Walsh. And who introduced these gentlemen, Mr. Svenchansky and Mr. Levy, to you?

Mr. Lotsman. Mr. Svenchansky and Mr. Levy went all over the city of Chicago looking for a suitable man, somebody who could handle that business, and I understand somebody told them that there is a man by the name of Gregory Lotsman in Chicago who is a very good man, who speaks Russian language and who speaks English language, and who loves books and who is a good manager, and they should contact me because I was not employed at the time due to an accident.

I was receiving about \$300 a week on compensation at that time and they phoned me and asked me if they could come to my home to

see me.

Mr. Walsh. Who is the individual that suggested your name?

Mr. Lotsman. I don't know.

Mr. Walsh. You don't know who suggested your name?

Mr. Lotsman. I never asked.

Mr. Walsh. They came just on their own?

Mr. Lotsman. They said they heard that I am not employed, could they come up and talk to me, and I was unable to walk at

that time and they came to my home.

Mr. Walsh. After you became associated with them did you negotiate a contract with the foreign division of the International Publishers, Moscow?

Mr. Lotsman. No. sir. (At this point Mr. Tuck returned to the hearing room.)

Mr. Walsh. I show you a copy of a memorandum dated June 5, This particular memorandum or contract is signed by A. Svenchansky and Henry Levy for Cross World Books and Periodicals and by A. Byelostotsky and N. Papenko of the Foreign Division of the MezhKniga. It will be identified as Lotsman Exhibit No. 2, and I ask if you are familiar with the terms of it.

Mr. Lotsman. I will not have to look at it. I am thoroughly

familiar with it, yes, sir.

Mr. Walsh. You are thoroughly familiar with it? Mr. Lotsman. Yes, thoroughly familiar with it.

(Document marked "Lotsman Exhibit No. 2" and retained in committee files.)

Mr. Walsh. But you had nothing to do with the negotiations?

Mr. Lotsman. Not a thing because I am an employee of that firm. It was not my province to negotiate or to sign any documents. I was consulted by them on certain technical points, whether it is good for them or not to enter into certain provisions of the contract, and in my good judgment I gave them advice, but I did not participate in the negotiations. In fact, the contract was not even signed in Chicago and I never left Chicago.

Mr. Walsh. According to this contract when Mr. Svenchansky and Mr. Levy took over Cross World Books and Periodicals there was a deficit, or the former owner owed the Moscow publisher a certain

sum of money, in the amount of \$71,360.98, is that correct?

Mr. Lotsman. The figures are correct, but if the chairman and you

would permit me, I would like to say something about this.

Mr. Walsh. You may in a moment. I just want to get these facts first. This amount of money was owed to the Moscow group?

Mr. Lotsman. This is what the contract shows.

Mr. Walsh. According to this contract?

Mr. Lotsman. According to the contract.

Mr. Walsh. Yes, sir. Also, according to the contract, and you say you are familiar with it?

Mr. Lotsman. Yes, sir.

Mr. Walsh. How much did Svenchansky and Levy pay for this

\$71,000 inventory?

Mr. Lotsman. They paid—first of all they assumed the obligation. They signed notes for them. They assumed the obligation. They actually assumed the obligation for that inventory. They signed notes for it.

Mr. Walsh. In the amount of \$71,000?

Mr. Lotsman. That's right.

Mr. Walsh. Or was the amount \$7,500?

Mr. Lotsman. Oh, no. That is a mistake. It is about \$71,000.

Mr. Walsh. Where is the mistake? Mr. Lotsman. You say \$7,000?

Mr. Walsh. \$7,500.

Mr. Lotsman. Oh, no. I mean they signed notes for the inventory. That was about \$70,000. They assumed the responsibility for the debt to the extent of \$70,000. They signed notes to that effect.

What you are seeing, counsel——

Mr. Walsh. Just a moment. Would you look at page 3 of Exhibit No. 2, which is the contract between Svenchansky and Levy and the Assistant Trade Counsellor at the Embassy, the U.S.S.R., in the United States, and look at paragraph 6? It states here: "The firm, 'Cross World,' assumes the obligation of liquidating the debt, as mentioned in point 5, in the following manner:".

Mr. Lotsman. I think I see your mistake.

Mr. Walsh. Now, will you look at paragraph 6 and explain that to the committee?

Mr. Lotsman. I can explain it without looking. I know exactly what it is, sir.

Mr. Walsh. How about the \$7,500 notes that were given to liqui-

date the debt of \$71,000?

Mr. Lotsman. I am here to explain things for you to the best of my ability, and I will.

Mr. Walsh. Thank you.

Mr. Lotsman. The debt was \$71,000 and they invested about \$18,000 in cash, but then from what I know the representatives of that publishing house insisted on some token of additional payments, so they have advanced \$7,500 in checks and this is what this is. It stipulates the number of checks, how much each check, and what's the total amount, and when it is to be paid.

Mr. Walsh. What is the total amount of those checks?

Mr. Lotsman. \$7,500.

Mr. Walsh. You mentioned the sum of about \$18,000 in cash. What was that?

Mr. Lotsman. I think that they have invested that much into the business, Mr. Levy and Mr. Svenchansky.

Mr. Walsh. Yes, but they didn't pay that to the Soviet group.

Mr. Lotsman. Oh, no; they invested that themselves.

Mr. Walsh. In other words, they invested \$18,000 and at the time they came to get hold of this business there was a debt owed to the Moscow group of \$71,000 for books on consignment to them, right?

Mr. Lotsman. That was not consignment, sir. That was a purchase.

Mr. Walsh. Well, actual sale then, but they owed the Moscow

group \$71,000?

Mr. Lotsman. They owed to the publisher in Moscow \$71,000, that's right.

Mr. Walsh. And they have notes there that they agree to pay

\$7,500?

Mr. Lotsman. Oh, no. They have signed a contract to pay \$71,000. The contract states specifically. They have to pay a certain amount of money in addition—this is the initial payment, but then they are supposed to discharge the entire obligation of \$71,000. There is a provision in the contract of how it should be paid.

Mr. Walsh. As of this date how much of that \$71,000 has been

paid?

Mr. Lotsman. As of this date I would say that about—now don't hold me to this, but I would say in the neighborhood of about \$3,000.

Mr. Walsh. Was paid? Mr. Lotsman. Yes.

Mr. Walsh. Did they also pay that \$7,500 according to the notes? Mr. Lotsman. Oh, no. They have not discharged that obligation.

Mr. Walsh. In other words, the only amount that Svenchansky and Levy paid to the MezhKniga was, up to and including to, \$3,000?

Mr. Lotsman. Just about; yes.

Mr. Bruce. Let me ask you a question here. As I understand what you said, you said that the \$7,500 were in predated checks, is that correct?

Mr. Lotsman. Yes, sir.

Mr. Bruce. Was the \$3,000 that have been paid part of the \$7,500

of predated checks that have now been cashed?

Mr. Lotsman. Yes, sir. Mr. Chairman, I will be grateful to you if you will allow me to explain the \$71,000. I have written a letter and I have a copy of it. I have also called up, very urgently one night, Mr. Svenchansky and Mr. Levy and I told them that as I examined the inventory it wasn't worth \$10,000. The books were unsalable. They were the kind of books that I don't know what to do with. As a matter of fact, I called a number of people that buy junk, paper. They wouldn't take it. They don't want anything for paper. The people that ordered the books didn't know what they were doing. They were ordering books that had nothing to do with the market. They ordered books for interior decorating, also silly things; and they are unsalable. In my humble opinion that stock wasn't worth more than \$10,000. I wouldn't give them that much for it if I was buying it.

Mr. Bruce. Doesn't it sound a bit strange, then, that a man who apparently would have some business background would agree to pay

\$71,000 without an adequate inventory in advance?

Mr. Lotsman. The inventory was taken, sir, subsequently.

Mr. Bruce. Subsequently?

Mr. Lotsman. Subsequently, the inventory was taken.

Mr. Bruce. After the purchase? Mr. Lotsman. After the purchase.

Mr. Bruce. That is what I am talking about. On normal procedure isn't it a bit strange for anyone to agree to a contract calling for payment of \$71,000 without an adequate inventory in advance?

Mr. Lotsman. The contract was not entered into immediately, It was a tentative, verbal agreement, I understand. The contract. if you note the date, was entered subsequently, many months later.

Mr. Bruce. Then after an adequate inventory, which you say from your experience proved to be worth about \$10,000, they agreed

to pay \$71,000?

Mr. Lotsman. You see, that was a matter of opinion. To this date my principals, the owners, are under the impression that the books are worth that much.

Mr. Bruce. \$61,000? Mr. Lotsman. \$71,000.

Mr. Bruce. A \$61,000 difference from your evaluation.

Mr. Lotsman. That's right. They still feel that the books are worth that much.

Mr. Bruce. And you have advised them that even the sale of

scrap paper-

Mr. Lotsman. I advised them that in my opinion the books are worth about \$10,000. They felt that the books are valuable, that with proper promotion, advertising, with the proper cataloging, with efficient management, that they can be sold. The books basically are dealing with technology and this is not-

Mr. Bruce. Interior decorating.

Mr. Lotsman. No, technology; some interior decorating, but mostly

technology, and geography, and-

Mr. Bruce. If I understood you correctly a few moments ago, you testified that the books were worthless, practically, that they had

silly stuff, as I recall.

Mr. Lotsman. I don't say they are worthless. I say it will take a long time to sell those books and from my business experience I wouldn't have given that money, but those people are different people from the way I am. I am a different kind of businessman. Some people will give \$10,000; some will give \$200,000.

Mr. Bruce. In other words, you say from your evaluation, and you have described yourself as a competent businessman, experienced

businessman, they are in a very bad business.

Mr. Lotsman. I say that I wouldn't have paid the purchase price they paid.

Mr. Bruce. You would differ by \$61,000 from them?

Mr. Lotsman. I say I would not buy that inventory because it would take me a lifetime to sell it.

Mr. Bruce. Thank you.

Mr. Walsh. You started working for this group on October 19, 1960?

Mr. Lotsman. Yes, sir.

Mr. Walsh. And as such, I presume that you went over the inventory at that time.

Mr. Lotsman. I am highly understaffed, sir, and I can't do everything at one time, but I have taken the inventory as well as I could.

Mr. Walsh. Exhibit 2, the contract, was entered on June 5, 1961.

Mr. Lotsman. Yes, sir.

Mr. Walsh. And that is 8 months after you assumed your duties as manager.

Mr. Lotsman. That's right, sir.

Mr. Walsh. And during that time did you come to the conclusion that these books were worth only \$10,000?

Mr. Lotsman. To this day we have—

Mr. Walsh. Would you answer my question?

Mr. Lotsman. Yes, sir.

Mr. Walsh. During the 8 months that you were manager there, and you had access to all of these periodicals and books that were purchased by your predecessor in the amount of \$71,000—you say you are familiar with this Exhibit No. 2—in which you state that they agreed to pay back the \$71,000, but in the contract, paragraph 6, they agree to give postdated checks in the amount of \$7,500 and you also testified that to date, which is July of 1962, they have actually paid \$3,000 pursuant to this contract.

Mr. Lotsman. Thereabouts. I am not sure of my figure.

Mr. Walsh. Do your books reflect the payment of this \$3,000?

Mr. Lotsman. Yes, sir.

Mr. Walsh. And when was that paid, if you can remember?

Mr. Lotsman. May I know your name, sir? Mr. Walsh. My name is Walsh, W-a-l-s-h.

Mr. Lotsman. Mr. Walsh, I would like you to know that the local FBI has come to my office twice and they have brought their accountants. They have photostated every check. They have photostated all my books.

Mr. Walsh. I didn't ask you that, sir.

Mr. Lotsman. They have all the information.

Mr. Walsh. That is an agency with which we are not connected. I am asking you to inform this committee, which in turn has its obligations with reference to legislation—

Mr. Lotsman. Yes. My books——

Mr. Walsh. I am asking you when these payments were made to the MezhKniga.

Mr. Lotsman. Don't hold me to the date, but they were, according

to my book-

Mr. Walsh. Approximately, if you can remember.

Mr. Lotsman. I would say 1962. I would like to tell you the way it is done. MezhKniga has a little bank in Illinois—First National Bank of Chicago is their collection agency and they just deposit our check for payment and that is it.

Mr. Walsh. And the total amount that you have paid for the

\$71,000 inventory is \$3,000 over a period of practically 2 years?

Mr. Lotsman. Yes.

Mr. Walsh. And all the payments are recorded in the books of your company?

Mr. Lotsman. Oh, yes; I have auditor and bookkeepers; yes.

Mr. Walsh. Is the business of Cross World Books and Periodicals controlled in the matter of policy by means of orders from any representatives of the Soviet organization, the individuals who signed this contract, Exhibit No. 2?

Mr. Lotsman. I do not understand your question. Will you kindly

repeat it again?

Mr. Walsh. I will withdraw it and rephrase it.

In view of the fact that you owe them money—in other words, the foreign division of MezhKniga is represented by Byelostotsky and Papenko; right?

Mr. Lotsman. Yes, sir.

Mr. Walsh. Do they tell you how to run your business and have a supervisory capacity over your business, what you do and how you spend your money, in view of the fact that you still owe them \$71,000?

Mr. Lotsman. They haven't supervised in any way whatsoever. They have not controlled my business. I am the sole manager. They have never came physically and told me what to do. However, the main office in Moscow sent me telegrams and letters and they said, "Unless you pay, we will stop sending you the books," and they did stop sending the books.

Mr. Walsh. When?

Mr. Lotsman. They stopped sending the books when we defaulted the first payment of \$3,000. You see, there is an agreement as to when the payments are supposed to be. When we defaulted the first \$3,000 they ceased shipping books completely, and I have correspondence to that effect which the FBI checked.

Mr. Walsh. Did they ever resume sending you books?

Mr. Lotsman. They only resumed recently on my personal business advice. I told them that inasmuch——

Mr. Walsh. Whom did you tell this to now?

Mr. Lotsman. I wrote a letter to the publisher in Moscow.

Mr. Walsh. Who is that?

Mr. Lotsman. The MezhKniga. That is the name. I don't know the individual. I don't do business with any one individual. I addressed a letter to MezhKniga. I told them if they were Americans and if they were good business people and they got themselves stuck for that much money, that much books, the smart thing for them to do right now is to enable me to get some fresh books, put it in a catalog, and then that will enable me to make enough money to pay what we owe them, and they have acceded to my arguments and begin to send books, but then now they are again hedging and asking me for money for the books and maybe they will stop sending it again.

Mr. Willis. As to the fresh books that you are talking about, are

you paying for them currently?

Mr. Lotsman. No, sir. I asked them to send me them on credit because we do not have enough funds to pay cash. Mr. Willis, the books travel 7,000 miles and I cannot order five books. I don't know how many I can sell so I have to order a quantity, and I order a quantity and I sometimes get stuck with them because I am topheavy with the inventory.

Mr. Bruce. Are these books sent directly to you from Moscow? Mr. Lotsman. It is shipped directly to Cross World Books and

they pass the customs and the post office.

Mr. Walsh. Since you assumed managership of this book place on October 19, 1960, would you tell the committee how much you have ordered from the Moscow Book Company, the International Book Company?

Mr. Lotsman. About \$25,000.

Mr. Walsh. \$25,000?

Mr. Lotsman. Yes. I would say between \$25,000, and to be safe, between \$25,000 and \$50,000.

Mr. Walsh. And how much of that between \$25,000 and \$50,000

have you paid to the International Book Company in Moscow?

Mr. Lotsman. My understanding with them is that I am to pay when the school season opens up this fall. I will start selling the books with the catalog and I have to start payments in January 1963.

Mr. Walsh. You have to start payments then?

Mr. Lotsman. That's right.

Mr. Walsh. In other words, they are subsidizing you to a great extent, this International Book Company?

Mr. Lotsman. Henry Ford subsidizes their representatives; Mar-

shall Field.

Mr. Walsh. I am not asking you that.

Mr. Lotsman. I don't like the word "subsidizing."

Mr. Walsh. You used it very freely. I am not asking you if Ford does or Marshall Field does it. I am merely asking you whether you are subsidized by the International Book Company in Moscow.

Mr. Lotsman. They give me a credit.

Mr. Walsh. They are subsidizing you then. Mr. Lotsman. They are advancing me credit.

Mr. Walsh. Until 1963?

Mr. Lotsman. That is right. That is my business agreement with them.

Mr. Bruce. You used the example of Ford and others, but as a business practice do you know of any company which would extend additional credit, in amounts between \$25,000 to \$50,000, to a customer which already owed it \$68,000?

Percentagewise, are you familiar with any ordinary business

procedure on that basis?

Mr. Lotsman. Mr. Bruce, many businesses have been extended tremendous credit by the manufacturers in order for the merchant to be able to survive so that he could pay debts incurred previously.

Mr. Bruce. With this percentage balance of the \$71,000 out-

standing?

Mr. Lotsman. I won't quibble about percentages, Mr. Bruce.

Mr. Bruce. I think it is pretty significant. You throw in the illustration.

Mr. Lotsman. It is not uncommon business practice.

Mr. Bruce. It is not uncommon business practice, I would agree, where there is a reasonable assurance of payment in behalf of the debt that is owed, but with a bad performance record, as bad as this one, where you started out with a \$71,000 debt, paid \$3,000 on predated checks and still owe \$4,500 on the predated checks, where they cut you off once before, then to send a fresh order of \$25,000 to \$50,000 worth would seem a little bit unusual. That's all.

Mr. Lotsman. Mr. Bruce, I have a very important information for you. MezhKniga is not the only one I owe money to. I owe tremendous amount of money to every publisher in the United States proportionately in the same situation. I owe money to most respectable publishers in America, exactly the same way, so they are not the only ones, and if you call it subsidy, then Putman & Co. and

those are subsidizing me.

Mr. Bruce. Have they forwarded to you, on the basis of your credit, an additional amount of \$25,000 to \$50,000 worth of books?

Mr. Lotsman. No, but they prefer to do business with me on cash basis and I do business with them on a cash basis, and I still owe them money and they are willing to wait for the money, MezhKniga, until I get on my feet and start paying.

Mr. Bruce. What was this cash basis?

Mr. Lotsman. If I owed the company \$1,500, instead of extending me additional credit they would say, "Whatever you need, send a couple hundred dollars for which you need and I will send you the books."

Mr. Bruce. How many hundred dollars did you send to the Mos-

cow firm?

Mr. Lotsman. \$3,000.

Mr. Bruce. You sent them the \$3,000 payment, you say?

Mr. Lotsman. Yes.

Mr. Bruce. That was the advance checks that had already been

made on the purchase of the enterprise, wasn't it?

Mr. Lotsman. Well, I have sent them some other payments. I sent \$900 not so long ago and I sent some other checks as well because they have put quite a severe pressure on me, and if they completely stop sending books, I would have to close up and suffer tremendous financial loss.

Mr. Bruce. Let me ask this. With this kind of a situation where you have a company, or a corporation, or business that is operating apparently in the red——

Mr. Lotsman. That's right.

Mr. Bruce.—what is the source of finance for you? Did you have to go out and borrow the money again in order to make these advances?

Mr. Lotsman. That is what we are doing. We rob Peter to pay Paul. That's what we do.

Mr. Bruce. That is all.

Mr. Lotsman. This is customary in all small business.

Mr. Walsh. I would like to go back to the time when Mr. Sven-chansky and Mr. Levy purchased this business for \$18,000.

Mr. Lotsman. No---

Mr. Walsh. They put this money in the business.

Mr. Lotsman. Yes.

Mr. Walsh. Have they put any more money in the business?

Mr. Lotsman. I think this is about all they put in.

Mr. Walsh. Have they drawn any money out of the business?

Mr. Lotsman. No.

Mr. Walsh. As salaries or directors' fees?

Mr. Lotsman. Not one penny.

(At this point Mr. Bruce left the hearing room.)

Mr. Walsh. What salary do you get?

Mr. Lotsman. I get \$200 a week by contract, but I have never drawn that.

Mr. Walsh. You have never been paid?

Mr. Lotsman. I have been paid between \$100 and \$150 a week.

Mr. Walsh. That is what your salary is, regardless of what you state in your registration statement, Lotsman Exhibit No. 1? You stated here, "I am paid a salary of the following rate and scale, effective as of October 19, 1960: \$150.00 per week for the first three months; \$175.00 per week for the four months next succeeding; and \$200.00

per week thereafter, plus 10% of net annual profits." Did you ever get any of the 10 percent?

Mr. Lotsman. No, never got any profits, sir, and the company

today owes me money.

Mr. Willis. May I ask you several questions?

Mr. Lotsman. Yes, sir.

Mr. Willis. What is your volume of business? You said you ordered some fresh books from Moscow from that publisher, between \$25,000 and \$50,000 worth. Then you do business with other firms.

Now what would the volume be?

Mr. Lotsman. Sir, when I have purchased that business my volume was about \$1,500 a month. I got it up to \$13,000 a month, but then the Moscow publisher cut me off and the volume of my business natually began to decline, and now it is about \$4,000 a month.

Mr. Willis. About \$4,000?

Mr. Lotsman. About \$4,000, but it was \$13,000 when my catalogs were fresh and they supplied me with the books.

Mr. Willis. It would be about \$48,000 a year?

Mr. Lotsman. For the 10 months my books show about \$54,000

Mr. Willis. So the bulk of your purchases would come from the

Moscow publisher?

Mr. Loisman. I have done tremendous amount of business with local publishers. I have ordered thousands and thousands of dollars of books. In fact, Mr. Willis, there is more demand for Russian books in Russian language published in the United States than published in Russia, and many college professors told me that they prefer Russian textbooks published in the United States more than the best of them published in the Soviet Union.

Mr. Willis. That would seem to confirm my question. Taking your word that your total volume of business is roughly \$48,000 a

Mr. Lotsman. That's not all from Russian books.

Mr. Willis. I know, that is all told.

Mr. Lotsman. Yes.

Mr. Willis. \$48,000 a year. Taking into account that your purchases from the Russian publisher are between \$25,000 to \$50,000 and you have only been in business since 1961, and taking into account your own statement that Russian publications are more in demand than local publications—

Mr. Lotsman. No, no, local publications are more in demand.

Mr. Willis. Wouldn't that seem to indicate that the bulk of your books, pamphlets, periodicals, and whatnot come from the Moscow publisher?

Mr. Lotsman. Mr. Willis, I would say that about 35 percent of

my business is with domestic publishers.

Mr. Willis. And therefore, 65 percent from—

Mr. Lotsman. With Moscow publisher.

Mr. Willis. Just two or three more questions. This Cross World Books and Periodicals, Inc., therefore, does about 65 percent of its business with the Russian publisher. Do you have an exclusive arrangement or area arrangement with the Moscow publisher?

In other words, did you distribute their books in a designated area,

do I understand, in and around Chicago, Illinois?

Mr. Lotsman. I am not sure. My understanding is that my employers secured an exclusive contract for retail business any place from Chicago west to California, but they have a right to do business by mail throughout the United States.

Mr. Willis. And they do have other distributors then?

Mr. Lotsman. What is that?

Mr. Willis. The Russian publisher has other distributors than yourself?

Mr. Lotsman. Oh, yes, sure.

(At this point Mr. Bruce returned to the hearing room.)

Mr. Willis. Judging from the hearings we had in May, and you must know about them, it looks like you are a comparatively small representative.

Mr. Lotsman. That is right.

Mr. Willis. Compared to the other firms. What are the names, Mr. Walsh?

Mr. Walsh. Four Continent Book Corporation and also Cross-

currents.

Mr. Willis. Crosscurrents. And I am like you. I don't want to be bound by exact figures, but it seems to me that the Crosscurrents evidence before us was to the effect that over the period of maybe a year and a half or two, their sales, even to the Russian Embassy, amounted to something like \$200,000. Am I right?

Mr. Walsh. Yes.

Mr. Willis. So it must indicate that the Russian publisher has many other agencies here. You just named another, counsel.

Mr. Walsh. Four Continent Book Corporation.

Mr. Willis. Do you know of any other besides Cross World,

Four Continent, and Crosscurrents?

Mr. Lotsman. Mr. Willis, you know about Crosscurrents more than I do because I understand you investigated them. I haven't. I have done no business with them. I don't know any individuals. I don't know the company. They are in no way connected with me and I would like to go on record—

Mr. Willis. I would say it is a matter of record by public testimony in this very room in May that the Crosscurrents people for a while wanted to call themselves Crossworld and they found out that you

were in business first.

Mr. Lotsman. I don't know about that. Mr. Willis. That is a matter of evidence.

Mr. Lotsman. I don't know about that. I don't know anything about it.

Mr. Willis. Proceed.

Mr. Walsh. In view of the fact that it is 11 minutes of 12 and we have to give up the hearing room, I would like to ask the witness whether or not he will make his books of account available to some member of this committee.

Mr. Lotsman. Absolutely.

Mr. Walsh. So they may look them over and if at a subsequent date we would like to question you more, we will have you return.

Mr. Lotsman. Certainly. I would like you to know that you can get it from the Department of Justice. They have complete records. You can get them from the Department of Justice.

Mr. Willis. We wouldn't do that. With your consent, and you have consented, so I think——

Mr. Walsh. I have one more question.

Are you now or have you ever been a member of the Communist Party?

Mr. Lotsman. Never have been and am not now. I am not any

more Communist than you are.

Mr. Walsh. May we excuse this witness now but keep him under subpena and we will notify him of the date he is to reappear or we

will make a date now.

Mr. Willis. Do you understand that? You will be kept under subpena and the books will be examined, and it may or may not be necessary to call you back, depending upon a check on what you have said, and I assume what you have said is honest so far as you are

Mr. Lotsman. You understand, in order for you to examine my

books I have to have the consent of my principals?

Mr. Willis. I understand.

Mr. Lotsman. So if they tell me to do it, I will be very glad to.

Mr. Walsh. Who are your principals now?

Mr. Lotsman. Mr. Alexander Svenchansky-Mr. Walsh. Is he president of the corporation?

Mr. Lotsman. Yes, and Mr. Henry Levy is the treasurer-secretary.

Mr. Walsh. Who are the members of the board?

Mr. Lotsman. Their respective wives.

Mr. Walsh. In other words, the two gentlemen plus their wives are members of the board of directors?

Mr. Lotsman. That's right.

Mr. Willis. We have been talking about that Cross World firm having taken over the business for approximately \$71,500. That was taking over the business from whom? Who was the predecessor?

Mr. Walsh. Rose Rose.

Mr. Willis. You didn't say you didn't know Rose.

Mr. Lotsman. Rose Rose is a lady.

Mr. Willis. But you were not affiliated with her?

Mr. Lotsman. No, in no way whatsoever.

Mr. Willis. How long was she in business before you took over? Mr. Lotsman. I don't know, sir. I don't have the slightest idea. Mr. Willis. Could you think about that in case we want to find out?

Mr. Lotsman. If you want me to make an investigation-

Mr. Willis. No, not an investigation. We can do that ourselves.

Mr. Lotsman. I don't know offhand.

Mr. WILLIS. Off the record. (Discussion off the record.) [The witness was excused.]

Mr. Willis. The subcommittee will stand in recess until 2 p.m. in

the same room.

(Whereupon, at 11:55 a.m., the hearing was recessed, to be reconvened at 2 p.m. on the same day.)

AFTERNOON SESSION, WEDNESDAY, JULY 11, 1962

Mr. Willis. The subcommittee will please come to order.

(Members present at the reconvening of the subcommittee, Hon. Edwin E. Willis, chairman of the subcommittee.)

Mr. Willis. We are debating on the floor the foreign aid bill today and the other members have not reported yet. Unquestionably, there will be some votes. There is only 5 minutes of general debate left and they will then go into the 5-minute rule or the amendment period, so that, with this uncertainty, the committee will stand in recess until 10 o'clock tomorrow morning.

I am told by counsel that we have not made arrangements for this or any other particular room for tomorrow morning so that the witnesses will report at the committee office in room 226 and will be

told then in what room we will meet.

We will recess until tomorrow morning at 10 o'clock.1

(Whereupon, at 2:40 p.m. Wednesday, July 11, 1962, the hearings were recessed, to be reconvened at 10 a.m. Thursday, July 12, 1962.)

¹ Testimony of Witnesses LeRoy Wolins and David Simon Canter on July 12, 1962, which concluded these hearings, subject to the call of the Chair, is printed in Part 1, pp. 1673-1698.

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